

Congressional Record

PROCEEDINGS AND DEBATES OF THE SEVENTY-FIRST CONGRESS FIRST SESSION

SENATE

MONDAY, May 13, 1920

(Legislative day of Tuesday, May 7, 1920)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hattigan, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 59) to extend the provisions of Public Resolution No. 92, Seventieth Congress, approved February 25, 1920.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 59) to extend the provisions of Public Resolution No. 92, Seventieth Congress, approved February 25, 1920, and it was signed by the Vice President.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Allen	Fletcher	King	Sheppard
Ashurst	Frazier	La Follette	Shortridge
Barkley	George	McKellar	Slimmons
Bingham	Gillett	McMaster	Smoot
Black	Glass	McNary	Steck
Blaine	Glenn	Metcalf	Stelwer
Biene	Goff	Moses	Stephens
Borah	Goldsbrough	Norbeck	Swanson
Brookhart	Gould	Norris	Thomas, Idaho
Broussard	Greene	Nye	Thomas, Okla.
Burton	Hale	Oddie	Townsend
Capper	Harris	Overman	Trammell
Caraway	Harrison	Patterson	Tydings
Connally	Hastings	Phipps	Vandenberg
Copeland	Hawes	Pine	Wagner
Couzens	Hayden	Pittman	Walcott
Cutting	Hebert	Ransdell	Walsh, Mass.
Dale	Hedlin	Reed	Walsh, Mont.
Deussen	Howell	Robinson, Ark.	Warren
Dill	Johnson	Robinson, Ind.	Waterman
Edge	Kean	Sackett	Watson
Fess	Keyes	Schall	Wheeler

Mr. DILL. I desire to announce that my colleague, the senior Senator from Washington [Mr. JONES] is absent by reason of illness.

Mr. SHEPPARD. I wish to announce that the senior Senator from South Carolina [Mr. SMITH] is detained from the Senate owing to illness in his family.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

APPRECIATION OF THE COMMISSION OF INQUIRY AND CONCILIATION, BOLIVIA AND PARAGUAY

The VICE PRESIDENT laid before the Senate the following communication, which was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD:

COMMISSION OF INQUIRY AND CONCILIATION,
BOLIVIA AND PARAGUAY,
Washington, D. C., May 13, 1920.

SIR: The Commission of Inquiry and Conciliation, Bolivia and Paraguay, in its meeting of this date, unanimously adopted the resolution which I hereby have the honor of transmitting to you. The resolution reads:

"In acknowledgment of the kind welcome which the Senate and House of Representatives of the United States of America, their presiding officers and membership, were good enough to tender to the commission during its visit to those legislative bodies, May 7, 1920;

"The Commission of Inquiry and Conciliation, Bolivia and Paraguay, resolves:

"To express its respectful and sincere appreciation to the Senate and the House of Representatives of the United States of America, whose interest in the peace and good will of the American nations was again evidenced by the cordial welcome which they tendered to the commission; and

"To ask the chairman of the commission to transmit this resolution to the Vice President of the United States and to the Speaker, with the request that they be good enough to convey this expression of thanks to the members of the respective legislative bodies."

I have the honor to be, sir, your obedient servant,

FRANK MCCOY,

Chairman of the Commission.

The VICE PRESIDENT,

United States Senate.

FUNERAL OF THE LATE REPRESENTATIVE CASEY

The VICE PRESIDENT appointed as the committee on the part of the Senate to attend the funeral of the late Representative JOHN J. CASEY, of Pennsylvania, the Senator from Pennsylvania [Mr. REED], the Senator from New Jersey [Mr. KEAN], the Senator from Delaware [Mr. TOWNSEND], the Senator from Kentucky [Mr. BARKLEY], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Texas [Mr. CONNALLY].

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution of the Ingleside Improvement Club, California, praying for a reduction of 50 per cent in the Federal tax on earned incomes, which was referred to the Committee on Finance.

He also laid before the Senate a memorial of sundry citizens of the State of New York remonstrating against the adoption of a proposed calendar revision which might affect the continuity of the weekly cycle, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a resolution adopted by True American Council, No. 136, Daughters of Liberty, at Caldwell, N. J., praying for the retention of the national-origins clause in the immigration law, which was referred to the Committee on Immigration.

He also laid before the Senate the following joint memorial of the Legislature of the Territory of Alaska, which was referred to the Committee on Claims:

House Joint Memorial 8

IN THE LEGISLATURE OF THE TERRITORY OF ALASKA,
NINTH SESSION.

To the Congress of the United States:

Your memorialist, the Legislature of the Territory of Alaska, respectfully represents that

Whereas bills were incurred by the eighth session of the Legislature of the Territory of Alaska, as follows:

J. B. Burford & Co.	\$266.23
Morris Construction Co.	75.25
Alaska Electric Light & Power Co.	6.60
John Harris	15.50
For mileage due members because of a deficiency in the appropriation for this item for the 1927 session and which is still unpaid, as the Attorney General rules that S. 4257 does not cover the authorization for mileage	280.70

which are just and proper charges for services rendered and material supplied, and for which payment has not been made.

Now, therefore, your memorialist respectfully urges that these bills be given your careful consideration and that means be provided for their payment.

And your memorialist will ever pray.

Passed by the house of representatives, April 17, 1929.

R. C. ROTHENBURG,
Speaker of the House.

Attest:

ROBERT C. HURLEY,
Clerk of the House.

Passed by the senate, April 24, 1929.

WILL A. STEEL,
President of the Senate.

Attest:

CASH COLE,
Secretary of the Senate.

Approved by the governor:

GEO. A. PARKS,
Governor.

Mr. WATERMAN presented a brief of the tariff committee of the Clear Creek County (Colo.) Metal Mining Association, signed by B. F. Napheyo, jr., chairman of Idaho Springs, Colo., with reference to the tariff on metals, which was referred to the Committee on Finance.

Mr. DENEEN presented a resolution adopted by the Sixth Annual State Convention of the Illinois Republican Women's Clubs, commending the President of the United States for his recent speech relative to law enforcement and pledging loyal support in the observance and enforcement of law, which was referred to the Committee on the Judiciary.

Mr. GOLDSBOROUGH presented resolutions adopted by Harford County (Md.) Pomona Grange, favoring the imposition of a tariff duty of 60 per cent on imported canned tomatoes, which were referred to the Committee on Finance.

He also presented the following joint resolution of the Legislature of the State of Maryland, which was referred to the Committee on the Library:

Joint Resolution 3

A joint resolution recommending to the Congress of the United States that The Star-Spangled Banner be declared to be the national anthem of the United States of America

Whereas The Star-Spangled Banner has, by acclaim of the people of our country and by general consent of the civilized governments of the world, been recognized as the national anthem of the United States of America; and

Whereas under the leadership of the Society of the War of 1812 in Maryland, supported by the patriotic societies of the country generally, the birthplace of The Star-Spangled Banner, namely, Fort McHenry, was dedicated as a national shrine on September 12, 1928: Therefore be it

Resolved by the General Assembly of Maryland, That the Congress of the United States be earnestly requested to take appropriate action whereby The Star-Spangled Banner may be declared to be the national anthem of the United States of America; and be it further

Resolved, That the secretary of the state of Maryland be, and he is hereby, requested to transmit under the great seal of this State a copy of the foregoing resolution to the President of the United States, the President of the Senate, the Speaker of the House of Representatives, and to each of the Representatives from Maryland in both Houses of Congress.

Approved March 8, 1929.

I, David C. Winebrenner, 3d, secretary of state, do hereby certify that the foregoing is a true and correct copy of Joint Resolution 3 of the Acts of the General Assembly of Maryland of 1929.

As witness my hand and official seal this 8th day of May, 1929.

[SEAL.] DAVID C. WINEBRENNER, 3d,
Secretary of State.

Mr. GOLDSBOROUGH also presented the following joint resolution of the Legislature of the State of Maryland, which was referred to the Committee on Patents:

Joint Resolution 4

A joint resolution memorializing the Congress of the United States to amend the copyright law

Whereas under the present copyright act a person who has copyrighted a musical composition has not only the exclusive right to print, reprint, publish, copy, and vend that composition but the additional right to use that composition publicly for profit; and

Whereas the copyright act provided that the copyright proprietor may recover a sum in certain cases of as much as \$100 from the offender for the infringement of this exclusive right to use the composition publicly for profit; and

Whereas protected by this act certain copyright proprietors, in addition to the purchase price, charge unreasonable and exorbitant prices for permission to use the composition publicly for profit; and

Whereas the various copyright proprietors have formed an organization known as the American Society of Composers, Authors, and Publishers for the enforcement of the said provisions of the copyright act and for the protection of their interests thereunder; and

Whereas the American Society of Composers, Authors, and Publishers maintains a supergovernmental enforcement agency with investigators always ready to descend upon any offender and bring him to task; and

Whereas this additional fee for permission to use the composition publicly for profit, and the penalties for infringement of the same, are paid to the copyright proprietor, who ordinarily is not the author or composer of the composition; and

Whereas these provisions of the copyright act are inimicable to the best interests of a majority of the people and make it impossible to present this music to them at reasonable prices: Now, therefore, be it

Resolved by the General Assembly of Maryland, That the Congress of the United States be memorialized to amend the copyright act of 1909 to provide that a person who has copyrighted a dramatic-musical or a choral or orchestral composition or other musical composition, which composition is offered for sale to the public, shall not have the exclusive right to perform the copyrighted work publicly for profit, nor be entitled to receive any fee or price in addition to the purchase price for permission to use the composition in a public performance for profit, nor be entitled to any penalty if the composition is so used without the permission of the copyright proprietor; and be it further

Resolved, That the secretary of the State of Maryland be, and he is hereby, requested to transmit, under the great seal of this State, a copy of the foregoing resolution to the President of the Senate, the Speaker of the House of Representatives, and to each of the Representatives from Maryland in both Houses of Congress.

Approved, March 8, 1929.

I, David C. Winebrenner, 3d, secretary of state, do hereby certify that the foregoing is a true and correct copy of Joint Resolution 4 of the Acts of the General Assembly of Maryland of 1929.

As witness my hand and official seal this 8th day of May, 1929.

[SEAL.] DAVID C. WINEBRENNER, 3d,
Secretary of State.

Mr. GOLDSBOROUGH also presented the following joint resolution of the Legislature of the State of Maryland, which was referred to the Committee on Public Buildings and Grounds:

Joint Resolution 5

A joint resolution memorializing the Congress of the United States to select a site for the summer home of the President in the State of Maryland

Whereas President Coolidge has suggested that provision be made for a summer home for the President of the United States near Washington; and

Whereas there are many suitable sites in Maryland near the National Capital which would be desirable for a summer home for the President; and

Whereas, since the Nation's Capital was formerly a part of the State of Maryland, it seems appropriate that the summer home of the President should be located in Maryland: Therefore be it

Resolved by the General Assembly of Maryland, That the Congress of the United States be, and it is hereby, requested to select a site for the summer home of the President of the United States somewhere in the State of Maryland; and be it further

Resolved, That the secretary of the State of Maryland be, and he is hereby, requested to transmit, under the great seal of this State, a copy of the foregoing resolution to the President of the United States, the President of the Senate, the Speaker of the House of Representatives, and to each of the Representatives from Maryland in both Houses of Congress.

Approved, March 8, 1929.

I, David C. Winebrenner, 3d, secretary of state, do hereby certify that the foregoing is a true and correct copy of Joint Resolution 5 of the Acts of the General Assembly of Maryland of 1929.

As witness my hand and official seal this 8th day of May, 1929.

[SEAL.] DAVID C. WINEBRENNER, 3d,
Secretary of State.

REPORTS OF THE MILITARY AFFAIRS COMMITTEE

Mr. REED, from the Committee on Military Affairs, to which was referred the bill (S. 4) to regulate promotion in the Army, and for other purposes, reported it with amendments and submitted a report (No. 11) thereon.

He also, from the same committee, to which was referred the bill (H. R. 22) to provide for the study, investigation, and survey, for commemorative purposes, of battle fields in the vicinity of Richmond, Va., reported it without amendment.

SALE OF MORTGAGE BONDS BY DISTRICT OF COLUMBIA COMPANIES

Mr. NORRIS. Mr. President, I ask unanimous consent to submit a report from the Judiciary Committee. The committee has had under consideration the resolution (S. Res. 58) presented by the Senator from Iowa [Mr. BROOKHART] on Friday last and has directed me to report it back to the Senate

with the recommendation that the Committee on the Judiciary be discharged from the further consideration of the resolution and that it be referred to the Committee on the District of Columbia. In accordance therewith, I report back the resolution with that recommendation, together with the accompanying papers, and ask that the same be referred to the Committee on the District of Columbia.

The VICE PRESIDENT. Without objection, it is so ordered.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. COPELAND:

A bill (S. 1071) for the relief of heirs of Jacob D. Hanson; to the Committee on Claims.

By Mr. NYE:

A bill (S. 1072) for the relief of Gabriel Roth; to the Committee on Claims.

A bill (S. 1073) granting the consent of Congress to the States of North Dakota and Minnesota, the county of Richland, N. Dak., the county of Wilkin, Minn., or to any one or more of them, to construct, maintain, and operate a bridge across the Bois de Sioux; to the Committee on Commerce.

By Mr. GREENE:

A bill (S. 1074) granting an increase of pension to Persis C. Hodgkins; to the Committee on Pensions.

By Mr. SHORTHIDGE:

A bill (S. 1075) for the payment of certain citizens of damages because of loss of their property in the general mess building of the Pacific Branch of the National Home for Disabled Volunteer Soldiers, when said building was destroyed by fire on March 24, 1927; to the Committee on Claims.

A bill (S. 1076) for the relief of Ira L. Duncan;

A bill (S. 1077) for the relief of John W. Fisher;

A bill (S. 1078) for the relief of Eddie Gordon;

A bill (S. 1079) for the relief of Harry E. Hale;

A bill (S. 1080) for the relief of Fred Helm;

A bill (S. 1081) for the relief of Edward Hewitt;

A bill (S. 1082) to correct the military record of Herbert Horrell;

A bill (S. 1083) for the relief of Charlie Hoover; and

A bill (S. 1084) for the relief of Charles Amiss; to the Committee on Military Affairs.

By Mr. REED:

A bill (S. 1085) to amend section 5 of the act entitled "An act to establish a national military park at the battle field of Fort Donelson, Tenn.," approved March 26, 1928;

A bill (S. 1086) to authorize the sale of surplus War Department real property at Jeffersonville, Ind.;

A bill (S. 1087) to provide further for the national security and defense;

A bill (S. 1088) to amend section 5 of the act entitled "An act to establish a national military park at the battle field of Stones River, Tenn.," approved March 3, 1927; and

A bill (S. 1089) to authorize aides to the Chief of Staff of the Army; to the Committee on Military Affairs.

By Mr. METCALF:

A bill (S. 1090) granting a pension to Harriet J. B. Ford (with accompanying papers); to the Committee on Pensions.

By Mr. GOLDSBOROUGH:

A bill (S. 1091) to provide for the examination and survey of the channel of the Upper Thoroughfare lying between the steamboat wharf on Deals Island and Maynes Point in the Tangier district; to the Committee on Commerce.

By Mr. CUTTING:

A bill (S. 1092) to create a commission on elections, to define its duties, and for other purposes; to the Committee on the Judiciary.

By Mr. TRAMMELL:

A bill (S. 1093) providing for a fund for reimbursement to growers suffering loss of crops from the Mediterranean fruit fly; to the Committee on Agriculture and Forestry.

By Mr. WATSON:

A bill (S. 1094) granting an increase of pension to Frank D. Yandes (with accompanying papers); to the Committee on Pensions.

By Mr. GOFF:

A bill (S. 1095) granting an increase of pension to Margery Guy;

A bill (S. 1096) granting an increase of pension to Harriet Yost;

A bill (S. 1097) granting an increase of pension to May Graham; and

A bill (S. 1098) granting an increase of pension to Mary E. Harris; to the Committee on Pensions.

A bill (S. 1099) to prohibit the sending and receipt of stolen property through interstate and foreign commerce, and trafficking in the same; to the Committee on the Judiciary.

By Mr. GILLETT:

A bill (S. 1100) for the relief of Elizabeth B. Dayton; to the Committee on Claims.

By Mr. MOSES:

A bill (S. 1101) to authorize the Postmaster General to investigate the conditions of the lease of the post-office garage, in Boston, Mass., and to readjust the terms thereof; to the Committee on Post Offices and Post Roads.

By Mr. CUTTING:

A joint resolution (S. J. Res. 38) proposing an amendment to the Constitution of the United States relating to eligibility of Members of Congress; and

A joint resolution (S. J. Res. 39) proposing an amendment to the Constitution of the United States relative to the nomination or election of Members of Congress, President, and Vice President of the United States; to the Committee on the Judiciary.

By Mr. MOSES:

A joint resolution (S. J. Res. 40) authorizing and requesting the President to extend invitations to foreign governments to be represented by delegates at the International Congress for the Blind to be held in the city of New York in 1931; to the Committee on Foreign Relations.

Mr. BROOKHART obtained the floor.

AMENDMENT TO TARIFF REVISION BILL

Mr. FLETCHER submitted an amendment intended to be proposed by him to House bill 2067, the tariff revision bill, which was referred to the Committee on Finance and ordered to be printed.

SUPPRESSION OF UNFAIR MARKETING PRACTICES

Mr. FLETCHER also submitted an amendment intended to be proposed by him to the bill (S. 108) to suppress unfair and fraudulent practices in the marketing of perishable agricultural commodities in interstate and foreign commerce, which was ordered to lie on the table and to be printed.

RELIEF OF FORMER LIEUT. COL. TIMOTHY J. POWERS

Mr. SHEPPARD submitted an amendment intended to be proposed by him to the bill (S. 325) for the relief of former Lieut. Col. Timothy J. Powers, which was referred to the Committee on Claims and ordered to be printed.

AMENDMENTS TO FARM RELIEF BILL

Mr. CARAWAY and Mr. NYE each submitted an amendment and Mr. HEFLIN submitted two amendments intended to be proposed by them, respectively, to Senate bill 1, the farm relief bill, which were ordered to lie on the table and to be printed.

INVESTIGATION RELATIVE TO CERTAIN FEDERAL PATRONAGE

Mr. BROOKHART submitted the following resolution (S. Res. 59), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the amount authorized to be expended by the subcommittee of the Committee on Post Offices and Post Roads investigating the circumstances surrounding the choice of postmasters in presidential offices and carriers, under authority of Senate Resolution 193, agreed to May 19, 1928, Seventieth Congress, and continued during the present Congress by resolution of February 26, 1929, hereby is increased from \$8,000 to \$14,000, to be paid from the contingent fund of the Senate upon vouchers approved by the chairman of said subcommittee.

"A NEW APPLICATION OF AN OLD JEFFERSONIAN PRINCIPLE"

Mr. COPELAND. Mr. President, I ask unanimous consent that a very interesting address by Congressman LEWIS W. DOUGLAS at the Jefferson Day banquet in New York City on April 20th last, may be printed in the Record.

The VICE PRESIDENT. Without objection, it is so ordered. The address is as follows:

My presence in the company of such able and distinguished Senators and in the company of such prominent figures as a former Secretary of the Navy, under that great Democrat, Woodrow Wilson, is an act of impropriety which will shortly and in due course become self-evident. Yet, curiously enough, impropriety and propriety are strangely mixed. On the one hundred and eighty-sixth anniversary of the birth of a great Republican (how queerly words have become confused in the span of a century) and a greater American it is not improper that a western man should publicly pay tribute to his benefactor. It is not improper, because the vision which projected itself a century into the future and pictured a great empire spanning the continent from sea to sea, the wisdom which dictated Virginia's cession of the Northwest Territory to an enfeebled confederacy, the statesmanship which drafted the principles of government which were later to be substantially applied to

the frontier and the public domain, and the diplomacy which effected the acquisition of the Louisiana territory and which pushed the front line of American pioneers almost to the shores of the Pacific were attributes and characteristics of the man in whose honored and cherished memory we meet to-night. Thomas Jefferson laid the foundation stone of the West. His spirit lives to glory in its great structure.

Were he here this evening he would marvel at the changes which the machine age has produced in what was once a rural society. He would look with awe as we do on the complexities and intricacies of a mechanized state. To-day as he traveled (as he would have) from Monticello to the Hudson and saw before him the sky line and the activities of this great city, a vibrating, living symbol of modernity, he would have murmured to himself, as he once in another day and in almost identical language remarked to a Prime Minister of France, "Nothing can replace it; what will succeed it?" And yet he would still cling to the truth of his political philosophy while he would shiver at its neglect and nullification.

The American mind is one of extremes. Whenever a disease exists in the body politic Americans resolve to destroy the body. Frequently the remedy is more fatal than the disease.

Conditions have so changed that in many instances States in the exercise of powers inherent in them are incapable of or are supine in their adequate administration.

And the public mind, aroused partially by the persons seeking votes and partially by media of propaganda, have precipitately concluded that the States must be destroyed by means of creating great omnipotent and omniscient Federal officials and commissions which control the destinies of our lives. The things that have been done may not be undone, but the things that have been done need not be done again.

Let it be conceded that there are matters over which a State is impotent. Does that concession, however, lead inevitably to the conclusion that a Federal agency is the sole potentate? Without referring to the dog-eared books on our shelves, and the dogmatic formulas to be found in them, without quoting the words of lawyers and courts, pygmies and giants, can there not be made an analysis of modernity in the light of reason and changed conditions, and can not a relatively obscure and unused provision of our Constitution be adapted to present needs? Can not that paragraph of the basic law which permits of agreements among the States, subject of course to the approval of the Congress, be so employed as to protect both the vitality of State governments, adequate control of activities over which one State alone may be powerless and yet still to save us from a bureaucratic government—the greatest danger to our health and vigor as a Republic? New York and New Jersey have taken advantage of their rights and have created the Port of New York Authority. How much happier are they under that authority than they would be under an autocratic Federal agency? Is it not possible that the same right which they exercised in one respect may not be exercised in many other and perhaps larger fields of activity and of control?

Transportation of commodities between States has in the past been confined to tangible things. But during the course of the last quarter of a century there has been developed, with surprising rapidity, an industry which generates, transmits, and distributes an unknown mysterious energy which, despite the mystery in which it is enshrouded, is playing a part—a very important part—in shifting the focus of industries and of population, and in promoting the peace and comfort of the people of our Nation. In many instances it is engaged in inter rather than intra state commerce and is, therefore, beyond the jurisdiction of any one State. But wherever and however its business extends beyond the borders of one State and across those of another, the focus of its activities is limited by economic and natural factors to restricted geographical areas. Because of these same factors it never will become national in scope. Is it not wiser that the control of the rate structure of that industry be vested through agreements in the States affected? Is it not sounder statesmanship, is it not more consistent with the liberty and freedom of a Jefferson, that the States by compact retain jurisdiction over that industry which may transform the complexion of commonwealths, or which may even destroy one for the benefit of another? Or is it preferable that an arbitrary central bureau recognizing no responsibility to regional areas, ignorant or unwilling to learn of their needs, shall by autocratic order, establish rules and regulations for an activity which should properly be subject to the joint jurisdiction of the States? May not, in this instance, the compact clause be employed as a protection for the public, a safeguard for the States, and a barrier to tyranny? The time will come again as it has come in the past, when frenzied, unreasoned relinquishment of rights inherent in the States will give rise to a popular cry against those who advocated and effected the relinquishment.

The case cited is but one example of the possible application of the compact clause of the Constitution to the needs of a new order. There are many others.

Limited only by the exclusive powers delegated to the three branches of the Federal Government, the compact clause of the Constitution may be employed as a method by and through which the States may be maintained as Jefferson contemplated them, and by and

through which in the public interest adequate control may be effected and yet by and through which the development of a Federal bureaucracy may be effectively checked.

It is possible that some great flaring personality, imbued with the enthusiasm and charm of a public leader, may yet lead the American mind out of the morass of bureaucracy in which it has unfortunately been mired. With freedom as the passion of his life he may take his place in history, elbow to elbow with the author of the Declaration of Independence. No higher distinction can be given to any man.

OBSERVANCE OF THE SENATE RULES

The VICE PRESIDENT. The Chair desires to announce that hereafter, after a Senator has begun to address the Senate, he hopes Senators will observe the second clause of Rule VII and not interrupt the Senator for the purpose of introducing bills or similar routine matters. Until the Senator entitled to the floor begins to speak the Chair feels that he should ask him to yield for such a purpose. The unfinished business will be proceeded with, and the Senator from Iowa [Mr. BROOKHART] is entitled to the floor.

FARM RELIEF

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 1) to establish a Federal farm board to aid in the orderly marketing, and in the control and disposition of the surplus, of agricultural commodities in interstate and foreign commerce.

Mr. BROOKHART. Mr. President, it is a regrettable fact that politics of one kind and another has gotten into the question of farm relief. It is especially regrettable that it is Wall Street politics against the rest of the country. It is still more regrettable that the distinguished Republican whip [Mr. FESS] has joined in this political campaign. We certainly gave him every opportunity to answer everything on the floor of the Senate and next he turns up in the newspapers. If he is correctly quoted in the clippings which I have, he has described some of us as "pseudo-Republicans," and I have the honor of being the third in the list.

I am a Missourian by birth, and not having had very much school training I got down my copy of the International Dictionary to find out what this "pseudo" business means. I get the dictionary down regularly once a year anyhow, so it was not a very great inconvenience to do it on this occasion. I find that "pseudo" is a Greek word that means "lying, false, to belie"; that as a prefix in English signifying "false, counterfeit, pretended, spurious." When I found that the distinguished Senator and brilliant scholar from Ohio had used those terms in reference to me it ruffled my feathers a good deal at first, but I always ruffle them down again before I get into a fight; so I looked back a second time in the dictionary and found that the word has a second meaning, to wit, "In Lobachevskian geometry an analogue of the corresponding term in Euclidean geometry, as pseudo-form." Of course, I do not have the slightest idea what all of that means. [Laughter.] But probably that is what the Senator from Ohio intended to apply to me in this matter, and therefore I want to say to the Senator that I do not feel mad about him at all. I am just sorry for him; that is all.

But, Mr. President, there are some pseudo things that have gotten into the matter of farm legislation. This session of Congress was called to consider the farm problem on its merits, not as a false or counterfeit or pretended or spurious issue. I am inclined to think the pseudo business is in the farm bill rather than in the Republicanism which the Senator from Ohio has criticized. In fact I am ready to assert that the bill does not in any way carry out the Republican platform or carry out the campaign pledges which were made. When the campaign was on the Senator from Ohio and all the other standpatters liked to consult me a great deal.

Mr. JOHNSON entered the Chamber.

Mr. FESS. Mr. President—

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Ohio?

Mr. BROOKHART. I yield.

Mr. FESS. Mr. President, I did not interrupt the Senator until my friend the Senator from California [Mr. JOHNSON] came in. On May 8, while the brilliant address by the Senator from California was being delivered, I happened to be presiding in the Chamber, and I was very much impressed with this sentence, which is found in the CONGRESSIONAL RECORD on page 989, May 8, 1929:

I take it, in the broader aspect, that if there is ever an obligation upon those who pretend to serve a great people, that obligation rests upon both sides of this Chamber, upon Republicans, upon pseudo-Republicans, upon Democrats, and Republican-Democrats, in this body and elsewhere.

That was the origin of the term that was used by me the day I wrote the letter to which the Senator has referred.

Mr. BROOKHART. Does the Senator from Ohio mean by that that he himself did not understand what the word "pseudo" meant, and he thought it was a good word coming from the Senator from California? [Laughter.]

Mr. FESS. I think, Mr. President, that I ought to answer that question.

Mr. JOHNSON. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from California?

Mr. BROOKHART. I will first let the Senator from Ohio answer the question, and then I will yield to the Senator from California.

Mr. FESS. I must confess that I did not have the dictionary definition before me when I quoted the word used by my friend from California.

Mr. BROOKHART. I now yield to the Senator from California.

Mr. JOHNSON. Mr. President, may I congratulate the Senator from Ohio [Mr. Fess] upon the adoption of the language of the Senator from California? I think that he is progressing. If he would adopt the language of the Senator from California in the address that was made on the particular occasion in reference to the pending bill, he would progress still further; and in time, I think, he would reach the position that some of us have reached who under any and all circumstances we want to see real farm relief accorded. Then probably there will be no difference between the Senator from Ohio and the Senator from Iowa [Mr. Brookhart] in regard to a farm relief measure.

The use of the word which I employed was perfectly appropriate in an address such as I made, and other terms used in that address were equally appropriate. I trust that in adopting one sentence of that address the Senator from Ohio will adopt all. At any rate, I take it as a very high compliment, indeed, that I should have so impressed the Senator from Ohio that immediately he wrote a letter in which he utilized one particular word or one particular expression that I employed in my address.

Mr. BROOKHART. Mr. President, that is the first ray of light that has been shed on this matter by the Senator from Ohio [Mr. Fess]. There is great hope of the future, I think. With a start like that something may result. We all understood the keen sarcasm of the Senator from California [Mr. Johnson], and we all knew perfectly well what he meant when he used the term "pseudo."

Now, Mr. President, let us see about the pseudo features of the pending farm bill. I shall have to read again the Republican platform, which promises:

The Republican Party pledges itself to the development and enactment of measures which will place the agricultural interests of America on a basis of economic equality with other industries to insure its prosperity and success.

That is the concluding paragraph of that plank of the Republican platform; it is the summary of all the pledges which were made in that plank. What has the Republican Party done to carry out that pledge? When we came to consider this the greatest issue of the present time, where were the Republican standpat leaders during the working out and formulation of this bill? Where was the distinguished chairman of the Military Affairs Committee [Mr. Reed]? The only expression which I have ever gotten out of him was that it was a "farm bunk bill"; and I think he told about the truth in regard to that. Where was the distinguished chairman of the Committee on Finance [Mr. Smoot] when it came to solving this the greatest economic problem of our time? He was quietly and safely tucked away somewhere waiting for a tariff bill to come along; he was not helping to formulate legislation to solve the farm problem. Where was the distinguished chairman of the Committee on Appropriations [Mr. Warren]? His attitude was the same.

I have not heard a word of help or suggestion of solution from those Senators, except in private conversation with the Senator from Utah, and that conversation was very satisfactory indeed.

The only one of the distinguished "standpatters" who really took the floor to fight for the provisions of this bill was the Senator from Ohio. Of course, I know the distinguished Republican leader, the Senator from Indiana [Mr. Watson], took the floor for a couple of hours; but he spent most of his time trying to demonstrate that he had been more inconsistent than had the Democratic leader; and after listening to his able and eloquent appeal I concluded he was almost successful. [Laughter.]

Now let us see about this bill. The Senator from Ohio when he had the floor was asked to show how the bill would give to the wheat growers the prosperity enjoyed by the industries, and a pitiful mess he made of that. There was no price, such as the industries are able to fix for their products, even suggested by the Senator in connection with agricultural production. Every industry figures its cost of production, and on an average the industries get that cost and a good deal more. I have taken into consideration in measuring the return to industries the fact that, though many succeed, others fail. I am perfectly aware that 42 per cent of all the corporations in the United States are operating at a loss, but while that is true the other 58 per cent are operating at an enormous and an excessive profit. The farmers of the United States are at least entitled to the average return of the successful and the unsuccessful industries; and small business in the United States is entitled to a better consideration than is being given it. However, what does this bill do? Nothing.

I want now, Mr. President, to call your attention to the fact—and I have a copy of the law before me—that the intermediate credit bank law does everything that this bill proposes to do except in a few minor respects. The intermediate credit bank law provides for loans to all farm cooperatives. I do not think there is an institution set up in the pending bill that could not get a loan under the law, so far as existing law is concerned, from the intermediate credit bank. Furthermore, the intermediate credit bank has \$150,000,000 more money authorized for loaning purposes than the pending bill authorizes to be loaned to cooperatives. Think of a "pseudo" extra session of the Congress of the United States for the purpose of providing for more loans to cooperatives, when the system which we provided in 1923 is wholly ineffective! There is where the "pseudo" business becomes apparent in this situation, and the farmers of the United States will know it.

Mr. NORBECK. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from South Dakota?

Mr. BROOKHART. I yield.

Mr. NORBECK. I want to remind the Senators present that when the intermediate credit bank plan was pending as a remedy for the farm situation all those hopes were held out then which are being held out now, and some of the Senators who plead so eloquently for the intermediate credit bank bill as a measure to meet the needs of borrowing for cooperative marketing are the same Senators who tell us now that the pending bill contains a similar provision.

Mr. BROOKHART. The Senator is absolutely right. I remember participating in that debate and I was called a Bolshevik and an anarchist, practically, on the floor of the Senate for suggesting an amendment to that bill. Talk about "pseudos," and then think of calling the Congress of the United States into extra session to do over again in a little modified form what we already did away back in 1923, and what has failed during all these years, and has put the farmers of the United States in worse condition year after year. That is where the "pseudo" in this situation comes in. That is the fraud and the counterfeit and the spuriousness of this thing. I do not propose, after fighting for eight years for something genuine, to let a "pseudo" scheme go by without being fully exposed.

Take the wheat situation. What have the loans under the intermediate credit bank system done for wheat prices since 1923? The only thing that has been done for them since 1923 has been done by the Canadian wheat pool. That has helped the wheat price, and even with the present surplus the price would be still lower but for that pool in Canada in which we had no part whatever.

The Senator from Ohio did me a very great injustice about this extra session. He said the Senator from Idaho [Mr. Borah] was wholly to blame for it. I do not think that is true. I would not hesitate to give the Senator from Idaho full credit for the calling of this session in the good faith in which he wanted it, but I spoke to the President when he was a candidate as far back as about the 12th of July of last year in regard to calling an extra session. I had been down in Georgia investigating some "standpat" maneuvers in the post offices there, and I came back to Washington, arriving on about the 12th of July. It was either on that day or the next day that I saw the candidate for President, and I think on that occasion the first suggestion was made of an extra session being called. Nobody has ever told me to the contrary. I have not specifically asked the Senator from Idaho about it, but I then suggested that an extra session was needed in order to enact legislation to take care of the 1929 crop. Mr. Hoover, as a candidate, readily assented to that. Doctor Work was present, and he suggested,

in order not to ruffle up the feathers of President Coolidge, that there ought to be a condition to the effect that the extra session would be called if nothing were done for farm relief at the short session. I was not in the "ruffling of feathers" business. I wanted an extra session in order to settle the farm problem. I did not give that incident any publicity, nor did it receive publicity otherwise. Later others who consulted with Mr. Hoover did give publicity to the idea. I think it was the Governor of Nebraska who first gave it publicity; that was toward the end of the campaign, a month or two after I had talked about it. Then the Senator from Idaho secured the open pledge for the extra session.

Did we want a false, spurious, "pseudo" session here to fool the farmers about giving them equality with the industries? Is that what we were for? That is not the way I figured it out. I think the Senator from Ohio ought to have known I was no "pseudo-Republican," because I have put in the Congressional Directory that I am a "Progressive Republican." [Laughter.] It is written in there; and I do not want any "pseudo" session of Congress to pass on this farm bill, either.

The election passed, and since that time hardly a "stand-patter" in the whole crowd has talked to me about the solution of the farm problem. The subject has barely been mentioned, and I had to bring it up then. Was that the case during the campaign? No. They printed over a million copies of my speeches, which were sent to all the farming States. I think about a million and a half copies were thus circulated. That speech set out the record of Herbert Hoover toward the farmers during and after the war. It showed how, through the Food Administration and the Wheat Corporation, certain agricultural prices had been fixed and how those organizations had handled \$10,000,000,000 worth and over of farm surplus. There was not any howling then that "we will not fix prices." I set forth the record of Hoover. I did not claim that he had personally fixed the price of wheat or of pork; I knew who fixed it; but he was personally the head of the organization that fixed those prices. President Wilson appointed the men to do it; they did it in an intelligent and an effective way, and the action had the approval of Mr. Hoover. I put all of that in that speech, and it was printed, and it was sent out to all of these farmers; and I did not hesitate to say that a man who had a record like that, a man who got the best prices and the best prosperity for agriculture that it had ever had in all its history, would do something of the kind for agriculture in time of peace.

In fact, a part of that record was in time of peace. The last wheat bill was passed on the 4th of March, 1919. That bill gave to Mr. Hoover a round billion dollars, appropriated out of the Treasury of the United States, to handle this Wheat Corporation alone, and I think the Senator from Ohio voted for that over in the House at that time. He did not object to the Government going into business to carry out President Wilson's pledge that the farmer should have a price equal to that of 1918. But now he comes in, when his party has pledged itself to enact the laws and set up the machinery that will give us equality with the industries, and says, "It will not do. That is putting the Government into business. We must avoid this socialistic departure."

The Senator from California [Mr. JOHNSON] has shown most effectively, in his sarcastic, pointed address, how this bill puts the Government into three or four dubious kinds of business, unless you have a Eugene Meyer or somebody of that kind in management who will do nothing for the farmers and will get nowhere in the marketing of their products.

If that argument that "We will not put the Government into business" has any force, it has as much force against this bill in the form it is reported here as it would if we had provided a billion and a half of dollars and told the Government to go out and bid to the farmers the cost of production for the surplus of their product. That is no more business than this, and that is a safe kind of business. In conversation with the Senator from Utah [Mr. SMOOT], I think he told me he had said on the floor at some time, though I did not hear it, that if we had money enough to do that thing we need have no loss. I think that is the feeling of the senior Senator from Utah. Am I not correct in quoting that?

Mr. SMOOT. Mr. President, I think I stated on the floor of the Senate—I am quite sure I did—at the time the Senator from Nebraska was delivering his speech, that I was perfectly willing that \$500,000,000 should be provided as a fund, and that in my opinion if there were \$500,000,000 in a fund for the purpose of controlling the market price the result would be successful. I thought so then and I think so now.

Mr. BROOKHART. I am in full accord with all of that suggestion, except that I have it figured out that it will require a little more money. There are years when I think it will not re-

quire more money, but when it came to handling the wheat in that way Mr. Hoover figured out that it would require a billion dollars that year on wheat alone. A bigger crop than ordinary was promised of wheat. The crop did not turn out as large as expected, and he used only about \$300,000,000. In prior years he used as much as \$500,000,000 to do exactly what the Senator from Utah says should be done; and yet now we are told that if we put a provision like that in this bill, that will give the farmers a cost-of-production price or bid for their products, that is Bolshevism or something in violation of the Republican platform.

Why were not these things told to the farmers during the campaign? Why did we set out this record of our great leader, the most emphatic and the most successful record for agriculture in all its history, and then bring in a bill that repudiates that record?

If this bill can be amended so as to command enough funds and enough authority, subject even to the approval of the President, to buy and sell and handle these surplus products at a cost-of-production price, I have already said I would support it in preference to a debenture. The debenture is second choice with me; but the debenture is not a fake. The debenture is a reality. The debenture will do some good. It does not purport to do more than half of equalizing the tariff for the farmers. I see no reason why in the debenture we should not put on all the tariff, because the tariff is based on the difference in cost of production, and in this case the cost of production is not figured too high. I believe it is figured too high on many of the manufactured products, but it is not figured too high as to agricultural products and agricultural rates. In fact, I think it is too low still, even as proposed through the increases in the new bill that is now presented.

Mr. President, if the Senator from Ohio and I owned this big American farm we would agree this afternoon what to do with this surplus. As business men there would be no trouble and no argument about it. We would look the proposition over and we would find that we have about \$2,000,000,000 a year of surplus that we must dispose of in a foreign market; that is, in the form in which it is exported. The farmers are getting about \$1,200,000,000 for that. The other \$800,000,000 is added by processing and freight rates and commissions, and other things of that kind; but the exportable surplus is about a \$2,000,000,000 proposition, and if the Senator from Ohio and I had this proposition as our own we would be producing a total of about \$12,000,000,000 a year; and one-tenth of that, or \$1,200,000,000, is the amount we must send abroad.

We are living here in a higher level of markets than the general world market on all commodities, for that matter. We have made it so by law. That is what the protective tariff is for. Therefore it would not take the Senator from Ohio and me very long, if we had this proposition as our own, to say that this surplus must be removed from the domestic market, so that our domestic price on the other 90 per cent will not be reduced.

Then we would look around for boxes to box up this surplus. That would require capital; and we would figure out how much capital it would require to buy and to hold this \$2,000,000,000 surplus off the market so that we would not offer it at all on the market in the United States; and I do not believe—that is where I disagree slightly with the Senator from Utah [Mr. SMOOT]—I do not believe \$500,000,000 is enough to handle that surplus under all circumstances. We would want enough money provided in our banking system so that we could handle it without any question. It would be ineffective if there were going to be any argument about how we would finance this surplus. So I do not believe \$500,000,000 is enough to do it. I have figured out that it would take about \$1,500,000,000. Some of it we can turn at once; but if we had this as our own, would we dump it into the world market and break down the world market? That would be a foolish thing to do, and we would not do it if we had the finances and the resources to hold it.

I want to illustrate again by cotton and wheat. We would have this cotton surplus. In 1926 we had the biggest cotton surplus in all history—three years piled up, with a carry-over year after year. Suppose it had cost us 23 cents a pound to produce that cotton and to give us a cooperative return on our capital investment of not over 5 per cent. If the Senator and I had had all of that cotton together, what would we have done? We would have boxed up this surplus and withdrawn it from the market and said to the world, "It is for sale when you pay the cost-of-production price with a reasonable profit"; and if we had had the financial resources to do that, we would have withheld it. I think every Senator in the Chamber will concede that if that had been done in 1926 it would have cost around \$500,000,000, I say to the Senator from Utah, to buy the cotton surplus alone at that time; but we could have dis-

posed of it by this time and got back our 23 cents a pound and our expenses, and even taken a profit and had no dollar of loss.

Why would that be true? Because that cotton surplus of the United States is 65 per cent of the world's surplus. It is 65 per cent of all the cotton exported by all the countries of the world; and I say to you that the person or the organization that has 65 per cent of the world demand, and has it paid for, so that the bank can not call his note and the sheriff can not sell him out, is in reasonable control of the world market, and is able to get an asking price, and will not be forced to take whatever is bid to him.

Mr. EDGE. Mr. President, will the Senator yield?

Mr. BROOKHART. I yield.

Mr. EDGE. What would be the Senator's method of operation to restrict the crops in the years following, while this surplus remained as a surplus, so that the yield would not constantly reach the same maximum supply?

Mr. BROOKHART. That is the proposition I was trying to explain. As this surplus came on in 1924, 1925, and 1926, I would have bought it up and stored it and held it for the cost of production price. Over a period of six or seven years we have never had a world's surplus of cotton. We have always been able to sell it all.

Mr. EDGE. I know; but, as I followed the Senator—and I am following him closely—in order to reach a normal situation the Senator must in the meantime absolutely control the future product.

Mr. BROOKHART. The Senator means the production?

Mr. EDGE. The production, yes; or the surplus would be constantly maintained.

Mr. BROOKHART. I think I shall again have to present to the Senate the answer to that question by the National Industrial Conference Board. They have given the matter the most thorough investigation. They have the record, the facts, and have given the best answer and the most complete answer there is.

I will read that answer. I will say that I do not think, after seeing this record, that there is any danger of overproduction. That is giving me the least of my troubles in the solution of this question. That can happen as to some special crop, like potatoes, or perhaps citrus fruits. There could be switching from one crop to another if one were protected at a high price and another left at a low price, as was the case with wheat somewhat during the war, but if all were protected evenly, and all given a cost-of-production price, there would be no danger of overproduction in the United States. In fact, I think it is the policy of wisdom to encourage production of cotton and of all the other products.

Mr. TRAMMELL. Mr. President, will the Senator yield?

Mr. BROOKHART. I yield.

Mr. TRAMMELL. I believe the Senator said there might possibly be an overproduction of citrus fruits. I do not think that could be true if we had a proper system of marketing.

Mr. BROOKHART. That might be so.

Mr. TRAMMELL. There is nothing like the amount of citrus fruit raised in the country that is demanded, as I understand it, if the crop is properly distributed and marketed throughout the United States.

Mr. BROOKHART. The Senator may be correct. I have not made a detailed study of that proposition. I simply heard the statement made that there was overproduction of citrus fruits, and the prices were low to the producer; but, as the Senator says, it may be due to the marketing system, and the whole production in the United States is not an overproduction, and is not likely to be an overproduction. Production is going to decline, and is declining.

Mr. COPELAND. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from New York?

Mr. BROOKHART. I yield.

Mr. COPELAND. I noticed this morning a statement that because of the increasing popularity of American grapefruit our shipments to British markets increased from 15,000 boxes in 1922 to 421,000 boxes in 1927. I can not see that there has been any failure of marketing in that particular citrus fruit.

Mr. BROOKHART. I will not stop to discuss that matter in detail. It may be, again, that the price was fixed in England, as the price of our wheat is fixed, comparable to a world price that is too low. I am not familiar with that particular matter. But I do want now to answer this whole question of overproduction, because with that out of the way we are ready to consider this question and to settle it finally and effectively. This is what the National Industrial Conference Board said in their 1926 report, when they went into this matter fully:

These considerations are emphasized in the case of the United States. The increase in agricultural production during the war period and the "surplus" in the postwar years were in large part only apparent. The marked growth of cereal exports during the decade 1913-1922 was not the result of a sudden expansion of the per capita area of land in crops. From 1900 to 1925 the trend of crop acreage per capital was downward, and in the period 1919-1922 the per capita acreage in 12 principal crops was 10 per cent less than for the period 1899-1903. The "surplus," which has in large part been the source of agricultural depression since the war, was partly the result of an increase in the acreage of cereals, especially wheat, at the expense of other crops, and partly due to the falling off in domestic demand in 1920-1922. The average acreage in the five cereals in 1919-1922 exceeded that of the pre-war period 1909-1913 by about 23,000,000 acres, of which wheat accounted for more than 18,000,000 acres.

That was the switch to wheat which I mentioned a moment ago.

This increased acreage was made possible by a reduction in that used in producing for domestic uses, especially for feeding livestock.

You take it off of one, and if it increases one it decreases another. Practically all of our land is in use at this time in some form or other.

From the pre-war period 1909-1913 to 1919-1922, the per capita acreage employed in producing for domestic consumption declined nearly 6 per cent.

Most of the acreage thus economized was diverted to increasing the production of wheat under the stimulus of high prices and of patriotic appeal during the war period. But even during that time the per capita production of the major crops taken together was not markedly higher than pre-war. The average for the 5-year period 1915-1919 was four tenths per cent lower, and that for 1920-1924 was 4.8 per cent lower than the average for the pre-war period 1910-1913. The apparent surplus was due partly to the shifting of the balance of production and partly, as will be seen later, to the decline of effective domestic and foreign demand in 1920-1922.

The acreage in wheat, however, has been rapidly returning to normal. Although in 1923 it was still 27 per cent larger than the average of the five years before the war and in 1924 and 1925 it was about 11 per cent higher than pre-war, in view of the population increase in the past decade, this indicates a definite tendency toward readjustment of supply and demand.

This readjustment, however, has been accompanied by disturbance and distress which illustrate both the importance and difficulty of control of production. After new land, some of it range, was broken up and put into wheat, houses built, livestock and implements purchased and debts incurred, it was not easy to let the land go back to pasture or to shift it to other uses. In large areas of the Northwest the process has simply meant abandonment of land and equipment. Moreover, as has already been pointed out, the transference of a relatively small proportion of the acreage in one of the major crops to a minor crop is likely to result in overproduction of the latter, while the output of the former is relatively little affected. The subtraction of 10,000,000 acres from the corn area, for instance, and its transfer to potatoes or other smaller crops, might easily double the production of some of these.

That is the only overproduction we need to guard against, the shifting of crops; and if we protect the corn and protect the other crops, then there will be no tendency to shift to potatoes and to these other products.

Thus, even though the total acreage in crops is kept under control, the shifting of acreage as between the various branches of production under the influence of price changes may upset the equilibrium of agricultural income.

That is why all must be treated alike, and all given even protection; then they will go ahead the same way. If we should produce wheat in Iowa, we would produce a good deal more wheat than any other State in this Union produces, but we are fourth in the production of wheat. If the wheat were given protection and corn and livestock not, then we would have to produce wheat; but if we protect all alike and give a cost-of-production price to all of them, then there is no danger of going to wheat in Iowa. We produced 500,000,000 bushels of corn, about 300,000,000 bushels of oats, about 100,000,000 bushels of wheat, about 10,000,000 pigs, and about 3,000,000 calves. Although not the largest State, we are the State with the greatest agricultural production; yet since 1920 we have not gotten a price high enough to pay our expenses, our taxes, and interest, and foreclosures by the thousands and tens of thousands have occurred in that State, which ought to be the most prosperous spot on this earth.

Again the industrial board said:

All evidence points to the fact that the apparent surplus of cereal products, due to reduction in the per capita acreage of land employed

for producing livestock for domestic consumption, and to the over-expansion in the per capita acreage of wheat and rye at the expense of other crops, has merely obscured temporarily the increasing scarcity of land in the United States, in relation to domestic demand. Under the gradual operation of economic forces, some degree of adjustment of production, at least in respect to acreage put into the major crops, has undoubtedly taken place in the United States. Data given in the preceding chapter show that the acreage in farms in proportion to the total population has declined almost steadily since 1860 from 13 acres per capita to 9 in 1920. The per capita acreage of improved land has declined steadily since 1890 and is now about the same as it was in 1850. The per capita acreage of land in crops has declined since 1900 and is now below the point at which it was in 1880.

I particularly call the attention of the Senator from New Jersey to these figures, because they show the unmistakable trend in this production.

These declines in acreage were offset up to about 1900 by an increase in the yield per acre of the nine principal crops, but since that time the yield per acre has shown no increase, and in consequence the per capita production of the principal crops, as charts 3 and 4 indicate, has shown a tendency to decline almost steadily since 1900. The number of livestock per capita has also declined about 30 per cent since 1893. The wheat acreage has undergone a great reduction since 1920.

Then the board concludes:

The average farmer and his family under present conditions are working so hard, and the overhead charges for interest and taxes are so high, that stabilization or even moderate increases in prices would hardly be likely to stimulate any considerable general overexpansion of acreage or production.

Mr. EDGE. Mr. President, will the Senator yield?

Mr. BROOKHART. I yield.

Mr. EDGE. I do not want to divert the Senator at all from his line of argument. I simply asked the question I propounded a while back because the Senator was referring, as I recall it, to the year 1926, when there was an accumulation of a great surplus of cotton, as he has already indicated. The report he has just read, as I have followed him, deals mainly with the conditions in 1920, 1921, 1922, and 1923.

Mr. BROOKHART. No; this comes up to 1926.

Mr. EDGE. I meant to state that. However, that does not enter into the thought I had in mind, if I may repeat it, that any system whereby an organization is set up to handle surpluses—and I entirely agree with the idea and purpose of setting up such a stabilizing organization—and such a surplus did exist as to cotton—such organization must of necessity have some direct control over the production that is to follow, or the surplus will not be greatly decreased. That is obvious. The law of supply and demand is all very well, but if the surplus is held and dealt out at a profitable figure—and it should be; that is the idea of such an organization—most naturally the acreage devoted to that particular crop will continue to be cultivated, and, I assume, unless some restriction is enforced, we will constantly have a surplus.

Mr. BROOKHART. Does the Senator oppose the production of a surplus in the United States?

Mr. EDGE. Oh, no. I am never opposed to any policy that will mean a further encouragement to energy or enterprise, be it agricultural or be it industrial. However, we must face conditions just the same, and if there are to be these surpluses just one of two things must happen—we must either have some control in order to diversify the type of crops or we must frankly admit that the surplus being added to year after year by production we must, in one form or another, establish some system of subsidy. There is no other possible solution of the surplus problem.

Mr. BROOKHART. The board would have perfect control of the surplus, and it would be impossible to produce a world surplus over a series of years.

Mr. EDGE. That apparently was not the situation in 1926 as to cotton.

Mr. BROOKHART. There are two surplus arguments being made—one for the United States, and one for the world.

Mr. EDGE. Any surplus is necessarily for the world. The surplus must be marketed somewhere outside of our own country, whether it is a surplus of agricultural products or a surplus of manufactured products. That is the only definition of the word "surplus." In the United States the manufacturing industries have a very much better set-up, very much better salesmanship, are very much better organized, in order to take advantage of the world's market with their surplus; there is no doubt about that, though I do not intend to get into that argument with the Senator to-day. Agriculture is in a weak and, in a way, a defenseless position as to organization. We are all here trying to find a remedy. Nevertheless, from a

cold-blooded, business standpoint, we must either purchase the products of the farm at home or the producer will have a surplus to dispose of abroad. I do not want to discourage the farmer from raising crops, but I do think he should be admonished, as far as that is possible, in trying to reduce the surplus to what we could in an ordinary, orderly marketing method distribute for him at home and abroad.

Mr. BROOKHART. I think in 25 or 30 years we will have no surplus except possibly in cotton, and that is the easiest to handle and to finance of all our surpluses, because we can store it and keep it for future sale. Our surplus in that length of time will have disappeared. We will have enough people to use it all up. But that is a long time to stay in bankruptcy and let our prices be fixed in the foreign market. The industries have been given the protection of the Government. The Government has given them a protective tariff which economists estimate is costing the American people as high as \$4,000,000,000 a year on the manufactured products, and yet the Senator from New Jersey voted against taking \$100,000,000 out of that vast \$4,000,000,000 sum and paying it back to the farmers, who are paying a part of that \$4,000,000,000 increased price, and a large part of it. The Senator objected to turning even that much back to them to stabilize and raise their own prices toward that same level.

Mr. EDGE. To what particular bill does the Senator refer?

Mr. BROOKHART. It is the debenture plan to which I am referring now.

Mr. EDGE. I have voted for many bills to make available for many purposes funds for purchasing seeds, supplies, and so forth, for the farmer, and have always done it with great pleasure. I did vote against the debenture plan and I am quite ready to discuss that in my own time.

Mr. BROOKHART. I think the Senator is very consistent in his course, because he has consistently voted against any plan that would really be effective for agriculture.

Mr. EDGE. Of course, that is entirely a difference of opinion. I really rose to interrupt the Senator on the question of surpluses that we can not dispose of by miracles. We can only dispose of them by selling them, and we can only do that by selling at a price which will bring a profit to the producer or else the Government must pay the difference in some form or other of subsidy. We can not get away from that economic truth.

Mr. BROOKHART. Does the Senator doubt if we had taken the vast surplus of cotton in 1924, 1925, and 1926 and given the farmer the price of production, to wit, 23 cents, when the farmer got actually only 10 or 11 cents, and had held that surplus and said to the world, "We will not sell it until we get our price, the cost of production plus a reasonable profit," that it would have been sold long before this time?

Mr. EDGE. I think I have made it clear that the safe and sane thing to do is to have some control on future production. That is my position.

Mr. BROOKHART. I care not what happens on that point, the production is not going to continue at the same high level every year. The farm one year will produce a big crop and the next year a failure, and that is beyond the control of the Government, the farmer, or anybody else; but we do know from the history of the matter that over a period of six or seven years there never has been a surplus of anything.

Mr. EDGE. There was a surplus in 1926.

Mr. BROOKHART. Yes; temporarily, but it is gone already. Already the shorter crops since have created a demand so it could be sold and has been sold in the world market. But a few speculators bought up that cotton, dumped it into the world market and broke the market down, and they made a little narrow margin on it, whereas if it had been financed and held collectively as should have been done by the farmers themselves, the farmers would have received the cost-of-production price.

Mr. EDGE. Does the Senator object to a board having a proper revolving fund of \$500,000,000; and so far as I am concerned I would vote for \$750,000,000 if necessary to bring results. I consider the plan fundamentally a sound one, so that actually the amount of money the Government shall advance, which it should get back at some time in the future, to me is merely a detail. Does the Senator object to the board having some control and exercising it and trying to supplement the good Lord and weather conditions by discouraging overproduction? If we should develop a large surplus, does the Senator mean to contend that it would not be the duty of the board at least to issue some admonition to try to diversify, as they have been trying in Iowa, and to suggest that in the South possibly they plant more corn and less cotton? Is not that a part of the duty of the board?

Mr. BROOKHART. The Senator has not mixed in the farm business very much. I see that plainly.

Mr. EDGE. I admit my lack of technical knowledge, and I base my argument alone on the marketing of the surpluses, and that I think any man can understand.

Mr. BROOKHART. I am in favor of controlling production by having the farmers diversify and rotate their crops in the best way so as to preserve their soil and not let it be depleted. That in the end will increase production rather than decrease it. But to go out to the farmer and say, "You shall abandon a portion of your land," when he has interest to pay on his mortgage, "and not even try to raise a crop," is, to my mind, clear out of the question. I can see no reason or justification for it. There is no occasion for doing it if we control the surplus market for disposition in the world market and remove it from the domestic market so it will not depress the domestic market.

I want to ask the Senator if he objects to the domestic market paying the farmers of the United States the 90 per cent of the production cost to which they are entitled, with a return of 5 per cent upon capital invested?

Mr. EDGE. No; I think they deserve more than 5 per cent. I believe we help them by the installation of the protective tariff. We probably have not in the case of wheat and commodities of that kind helped them as much as we would like. That is an economic fact and a condition that everyone fairly well understands.

Mr. BROOKHART. Wherever we have had a surplus of farm products the tariff has not been effective; that does not work. That was very fine for the manufacturer's products, because they finance and control their surplus and do not let it depress their domestic market. But the farmers not being organized and the farmers' own deposits being in a commercial banking system which takes the money over to New York largely for speculative purposes, the farmers are not backed in the same way the commercial and manufacturing business is, and they can not handle their surplus, and that is why we have to consider the proposition of a Government organization.

Mr. SIMMONS. Mr. President—

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from North Carolina?

Mr. BROOKHART. I yield.

Mr. SIMMONS. It does not seem to me that we should be so anxious to impose restrictions upon production even though we have to export a part of the product. It is our exportations that enable us to carry on our world trade, which has become nearly as good to us as our domestic trade. The question of controlling the surplus has to do with the maintenance of American prices for the product of which we produce the surplus. Our manufacturers produce a surplus of goods, but the tariff enables them to get the American price for the domestic consumption and they sell the balance in the market of the world, of course, at world prices. We have some surpluses, as in the case of cotton, where the tariff can not give us control of the American market and where we can not through the tariff get the American market price. That surplus should be controlled in some way or other so as to enable the cotton farmer, together with the manufacturer, to get the benefit of the American price. If he gets the benefit of the American price, then he must take his chances as to surplus. That is true of every product we produce in the country in excess of domestic demands.

Mr. BROOKHART. I think the Senator from North Carolina has the correct idea.

Mr. SIMMONS. I think though we ought not unnecessarily to curtail production in this country. Every product which we produce should, in my opinion, get the benefit of the American price for the part which is produced and sold in America, and then the world will, as usual, take care of the balance. The debenture plan enables the American cotton manufacturer to get the benefit of the American price for that part which is consumed here. If perchance any part of that crop has to be sold abroad in years when there is a big surplus, of course, he will have to take the lower price in the world market for that portion of his product.

Mr. BROOKHART. I am in accord with the statement of the Senator from North Carolina.

I want to ask the Senator from New Jersey a question. The Senator from New Jersey has stated that the farmers are entitled to get the cost of production and I only claim the average cost. We can not do it for the individual farmer. Further, the Senator said that the farmer should have 5 per cent or more return on capital invested. Does the Senator object to setting up such an organization using Government funds, since we concede the farmers do not have the organization and can not in a lifetime get an organization to provide those funds? Does he object to setting up an organization that will give that price to the farmer?

Mr. EDGE. Quite the contrary. I have iterated and reiterated my thorough accord with setting up such an organization and have even gone further and said that if it can be demonstrated, and I am far from being a student of that feature of the problem, that we need more than \$500,000,000, I will gladly vote for more than \$500,000,000.

Mr. BROOKHART. That is very fair. I want to call the Senator's attention to the fact that there is no such provision in the bill. There is absolutely no provision except to lend them more money as the intermediate credit bank has done, and that does not help the situation.

Mr. EDGE. I understood the Senator to make that general statement in the opening of his remarks. I do not exactly follow him in that proposition. I consider that the bill sets up an organization with great power. I do not consider that the board is restricted under the terms of the bill so as not to be permitted to use every possible method of stabilization, both by holding surpluses and by loaning money and by helping to build storage houses for surpluses, and various other helpful detailed methods.

Mr. BROOKHART. Does the Senator understand the bill to have a provision by which the board can buy and hold these surpluses with the funds provided?

Mr. EDGE. I would not go that far—not to buy and hold them as a board, but to loan money so that that object can be attained. I refer to the chairman of the committee, the senior Senator from Oregon [Mr. McNARY], who is nodding in approval and apparently I have correctly interpreted the terms of the bill.

Mr. BROOKHART. Then so far as the Government and the board are concerned, it is nothing but a money-lending plan and that is what it was under the intermediate bank plan.

Mr. EDGE. I can not agree with the Senator in that statement.

Mr. BROOKHART. Now about losses. Suppose the board was set up and the Government funds were used to buy the surplus, and suppose the Government was not able to sell it in the world market at the price paid, but had to sell at a loss. The Senator remembers when the railroads were turned back under the Government guaranty of war-time profits they were paid \$529,000,000 out of the Treasury to guarantee profits and not of losses. Would the Senator have any objection to using a similar fund to pay losses for the farmer until the organization is started?

Mr. EDGE. My interpretation of the net result of the present bill is that the money to be advanced for these various purposes would probably have the same result. If it could not be repaid no one would lose it but the Government of the United States. But if it can be repaid certainly, following the policy which those representing, or purporting to represent, the farmers have indicated in the consideration of the equalization fee, the farmers want to repay it. I can not see any real point in the Senator's question. We advance the money. If it can not be repaid taxpayers pay the bill and suffer the loss.

Mr. BROOKHART. But we do not advance the full amount. We advance it only as we get good security. The intermediate credit banks can do that now and since 1923 could do it. Why did they not do it and why did it not work out?

Mr. EDGE. In my judgment the bill goes far beyond the power of the intermediate credit bank.

Mr. BROOKHART. Will the Senator point out specifically the things this board can do that the intermediate credit bank can not do? I have asked the chairman of the committee and I have not been able to find out.

Mr. EDGE. I will not attempt to do that, but I am quite sure—

Mr. McNARY. Mr. President—

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Oregon?

Mr. BROOKHART. I yield.

Mr. McNARY. It is not necessary to do those things for the edification of the Senator from Iowa. During the two days when I first explained the situation I pointed out very clearly, I think to the satisfaction of everyone who heard me, precisely what I thought this bill would do. I am not in accord with the Senator's view in any respect whatsoever, and no one who studies the bill could follow him in that connection, either. However, I am not going to take the time of the Senate by being drawn into a controversy in which I am not interested and which would be useless and purposeless when I am trying to have the consideration of the bill concluded.

Mr. BROOKHART. The Senator from Oregon has a perfect right to stay out of the controversy, but when I asked him the question he told me it would lower the interest rate, and I told him we could do that under the administration of the inter-

mediate credit banks. That was the only distinction the Senator from Oregon was able to draw, and the Senator from New Jersey has not been able to draw any distinction.

Mr. EDGE. Mr. President—

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from New Jersey?

Mr. BROOKHART. I yield.

Mr. EDGE. I will not allow that statement to go unchallenged. I think I have made it quite clear that there is a great distinction as to many details under the provisions of the bill. In the first place, the board under this proposed legislation will have more money with which to operate, and that is a very important distinction. The intermediate credit banks are very limited in their opportunities to loan, and loans are made under specific conditions. I do not recall those conditions offhand, but they are banking conditions, and they are very stringent in many details. As I have already said, under the pending measure money is to be advanced for the building of storage houses, elevators, and all kinds of machinery to be used in handling surplus crops. There is no comparison between the power given the intermediate credit bank and the power proposed to be granted to the farm board, with an appropriation of half a billion dollars, and the Senator from Iowa well knows it.

Mr. BROOKHART. The intermediate credit banks can make loans for all of those purposes to the cooperatives themselves; they are distinctly authorized to do so; and there is more money provided for the purpose than in the pending bill. The authorization to the intermediate credit banks is to the extent of about \$650,000,000, while only \$500,000,000 is proposed to be provided in the pending measure. That is the situation.

When we get down to the facts we do not disagree really as to what ought to be done, but we have cooked up here a mess that will not do anything. It is a "pseudo" scheme, I say to the Senator from Ohio; it is not genuine. It is not going to give to the farmers equality with industry; it is not going to give to them their cost of production; it is not going to give them any margin of profit. It will work out as the intermediate credit bank has, and the farm fight will go on as it has gone on in the past but, I trust, more effectively than it has gone on in the past.

Mr. President, I have taken a good deal more time than I intended to take. At 3 o'clock a limitation of 10 minutes on debate will begin, and I wish to conclude in a very few moments. I have, however, introduced a bill to meet the present emergency. It is not my bill; I have no right to claim any pride of authorship in the bill, because my bill comprises the best thought of the Senator from Oregon [Mr. McNARY] when he introduced the first so-called McNary bill in the Senate. It contains the best thought of the Senator from Nebraska [Mr. NORRIS] when he introduced the first farm bill that was ever offered, I believe, for the relief of agriculture. It contains the best thought of the President of the United States when he served at the head of the Food Administration and of the Wheat Corporation. It contains all those things. It embraces the best thought embodied in the railroad law which the Senator from Ohio supported. It contains the best thought embraced in all the paternalistic measures which the Government has adopted for other lines of business. It will live up to the Republican platform.

The Senator from Idaho voted for this bill in substantially the form I have offered it. He was on the resolutions committee of the Republican National Convention, and he told me at the time that he saw to it that nothing went into the Republican platform to controvert or contradict any part of the proposition that I am suggesting. I repeated that statement many times during the campaign. I have examined the platform, and, carefully construing everything in that document, I do not think it controverts anything in the proposal which I have offered here.

First, I estimated that it would require fifteen hundred million dollars of Government funds at some time to handle the exportable surplus. There will be times when a less amount will do, but that much ought to be available. If we are going to handle the surplus, we must have the funds or we shall fail; we must be certain that we shall have the finances to handle it.

Second, I have provided that the Agricultural Department shall determine the average cost of production of farm products. The average cost of production is the basis of every sound business in the world. No successful business can be pointed out which does not figure its cost of production and charge a price that will get that cost of production plus some profit above it; and usually industries take plenty of profit above it if they can.

The bill proposed by me directs the Agricultural Department to allow only 5 per cent on the capital investment. The Senator from New Jersey concedes that that is not enough. I think, however, it is a square deal when we consider the entire business situation in the United States, because the American people have been only producing 5½ per cent a year since 1912. I have those figures. The Senator from Ohio sometimes questions my figures, but I have here a bulletin issued by Mr. Hoover as Secretary of Commerce showing that to be the situation from 1912 to 1922. So 5½ per cent is the yearly amount of American production; that is what we have to distribute. Capital return ought to be held below that, for capital is not entitled to all of the wealth produced in this country. It is unthinkable to give to a few blocks of capital all that the American people, all that capital, and all that the increase in property values and everything else can add to the wealth of our country. So I put the rate of return below 5½ per cent. I think if it were even lower it might afford a fair deal, because labor and invention and genius and management are entitled to some share in the wealth produced in this country.

I have provided in the bill to which I have referred that the organization set up shall bid to the farmers the cost of production price determined by the Agricultural Department. Then I know the farmers will get that price; there will be no juggling about that; there will be no "pseudo" business in that sort of an operation.

I concede that there may be losses, although the Senator from Utah [Mr. SMOOT] has said on the floor of the Senate to-day that there need be no losses, and I, myself, think there will be practically no loss. There certainly will be none in the case of cotton; and wheat is in almost the same condition, and right now there is a big surplus of wheat. If we could buy it and hold it for a year or two it could be disposed of without loss if we operated in cooperation with the Canadian pool, because the two of us together would have over 60 per cent of the exportable wheat of the whole world, and there is no reason why the two of us together should allow the world market to be broken down because we have this surplus.

In 1926 the farmers of the United States sold 41,000,000 hogs; in 1928 they sold 48,000,000. They got \$200,000,000 less for the 48,000,000 than they received for the 41,000,000. There is not any business judgment or sense in that sort of a situation, and it is all due to the fact that prices are fixed in the competitive world market, over which we have no control.

As I have said, I concede there might be some losses in the operation of this export corporation. There might be times when it would become necessary for somebody to make up a loss; there might be times when we would not be able to dispose of some of the products at the cost-of-production price. I do not hesitate to say, as Mr. Hoover said in his acceptance speech in California, that we ought to spend several hundred million dollars out of the Treasury of the United States to protect our farmers against that loss.

I have provided in the bill \$600,000,000. That item is less than the amount which has been paid to the railroads since they were turned back into private hands in 1920. I have heretofore had printed in the Record a letter from the Interstate Commerce Commission showing that we paid the railroads out of the Treasury this bonus, this guaranty, this paternalistic support of \$529,000,000 to guarantee their war-time profit for six months after they were turned back under their own management. I add to that the \$59,000,000 profit which Mr. Hoover turned into the Treasury of the United States from the operations of the Wheat Corporation. There were no losses resulting from that operation, but on the contrary a profit accrued. The two together make nearly \$600,000,000; and so, in order to make the amount even, I fix it at that figure. I say the Treasury owes that much, and I believe that would run this institution for 10 or perhaps 15 years. Then we would know how the plan works and would know what to do about it.

Again, it is said we should not put the Government into business, and then there is brought into the Senate a bill which puts the Government into a half dozen different kinds of business. The bill which I have offered is the only one which ultimately will take the Government out of business. I provide in that bill for changing the whole thing into a cooperative system. There is where the farmer-owned and farmer-controlled institution comes in.

I have a precedent for the change proposed by my bill, and that precedent is found in the Federal land bank act. It is provided in that act that the farmer shall subscribe for cooperative stock, and that his subscription shall be used to pay back the Government's investment. Already sufficient and more than sufficient has been subscribed to pay back all the Government has advanced. In the same way I have provided for the subscription to cooperative stock in this institution by the

cooperatives of the country. By and by we will have a sufficient fund subscribed to repay the revolving fund of fifteen hundred million dollars, if that amount shall ever be used. Then the Government can go out of the business.

I notice, however, that when the Government gets into business, as in the land-bank business, it likes to be in the business and hangs right onto it. Instead of developing a plan to turn it back into a farmer-owned and farmer-controlled institution it continues it under a board or a bureau appointed by the President and confirmed by the Senate. There is no consistency in the arguments which are advanced here. They are unfair to the farmer; they are "pseudo" stuff and do not give the farmer a fair deal.

Mr. President, my position has changed but little since the very beginning of this struggle. I thought the Senator from Oregon and the Senator from Nebraska had it well figured out in the beginning, but the pending bill recedes far from the position which they occupied. They had a measure of value in the original bill. The first McNary bill provided that the farmer should have the pre-war ratio price. I did not favor that, because that is not a sound basis of prices. Cost of production is the only sound basis of prices; but that was better than no prices. That measure was very good for the farmers of the Northwest; it was not good for the cotton farmers of the South; the price was too low. I know as to that, for I raised cotton down there before the war, and I know what happened.

So, Mr. President, if the Republican Party wants to carry out the pledge it made to the farmers it ought to proceed along some such line as I have suggested. The party asked me to make pledges to the farmers, and I did it in the States which I visited. I spoke in good faith; I was not playing any "pseudo" game with the farmers of the United States, and I do not intend to play it now in the Senate. So far as I am concerned, I do not intend to go back on what I said to them and what I promised to them. I think the pending bill is not one which complies with the Republican platform; I think it has not carried out the pledges of the Republican Party, nor does it carry out the pledges of the Democratic Party. I think it will not bring to the farmers the relief to which they are justly entitled.

Mr. COPELAND obtained the floor.

Mr. McNARY. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. Does the Senator from New York yield for that purpose?

Mr. COPELAND. I yield.

The VICE PRESIDENT. The absence of a quorum being suggested, the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Allen	Fletcher	King	Sheppard
Ashurst	Frazier	La Follette	Shortridge
Barkley	George	McKellar	Simmons
Bingham	Gillett	McMaster	Smoot
Black	Glass	McNary	Steck
Blaine	Glenn	Metcalf	Steiwer
Blease	Goff	Moses	Stephens
Borah	Goldsborough	Norbeck	Swanson
Brookhart	Gould	Norris	Thomas, Idaho
Broussard	Greene	Nye	Thomas, Okla.
Burton	Hale	Oddie	Townsend
Capper	Harris	Overman	Tammell
Caraway	Harrison	Patterson	Tydings
Connally	Hastings	Phipps	Vandenberg
Copeland	Hawes	Pine	Wagner
Couzens	Hayden	Pittman	Walcott
Cutting	Hebert	Randsell	Walsh, Mass.
Dale	Hefflin	Reed	Walsh, Mont.
Deneen	Howell	Robinson, Ark.	Warren
Dill	Johnson	Robinson, Ind.	Waterman
Edge	Kean	Sackett	Watson
Fess	Keyes	Schall	Wheeler

Mr. SCHALL. My colleague [Mr. SHIPSTEAD] is still confined to the hospital. I will let this announcement stand for the day.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present. The Senator from New York [Mr. COPELAND] has the floor.

Mr. HEFLIN and Mr. WALSH of Montana addressed the Chair.

The VICE PRESIDENT. Does the Senator from New York yield; and to whom?

Mr. HEFLIN. Will the Senator yield to me to offer a short amendment?

Mr. COPELAND. I yield.

Mr. HEFLIN. I desire to offer the following amendment: On page 17, line 14, after the figures "\$500,000,000," insert "or whatever sum of money the Federal farm board and the President agree is necessary to carry out the provisions of this act."

Mr. WALSH of Montana. Mr. President—

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Montana?

Mr. COPELAND. I yield.

Mr. WALSH of Montana. I inquire what is the amendment now pending?

The VICE PRESIDENT. The pending amendment is that offered by the Senator from Montana. The amendment of the Senator from Alabama is not in order at this time, but will be printed and lie on the table.

Mr. HEFLIN. That is the purpose in offering it at this time.

Mr. WALSH of Montana. I inquire of the Senator from New York if he desires to address himself to the amendment proffered by me?

Mr. COPELAND. I ask that the amendment of the Senator from Montana be read.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. The Senator from Montana moves, on page 8, line 9, to insert the following after the word "time":

The board shall adopt rules specifying the qualifications requisite to entitle a cooperative association to join in an application for the certification of a stabilizing corporation and all cooperative associations possessing such qualifications shall be permitted to join. And any such cooperative association shall, at any time, upon application, be entitled to admission to membership in such stabilization corporation upon such terms as the board may from time to time prescribe.

Mr. COPELAND. Mr. President, in reply to the Senator from Montana I will state that I have no desire to discuss this particular amendment. If it is not controversial and can be disposed of promptly, I shall be glad to yield for that purpose.

Mr. BLAINE. Mr. President—

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Wisconsin?

Mr. COPELAND. I do.

Mr. BLAINE. I was going to inquire of the Senator from Montana if he would not agree to transpose his amendment to line 7, after the word "commodity," instead of line 9, after the word "time"? It does not affect the provisions of the amendment, but I think it places it in the appropriate place.

Mr. WALSH of Montana. As a matter of fact, I was somewhat troubled as to the appropriate place the amendment should occupy in the bill. Will the Senator suggest to us why he thinks it should go in there?

Mr. BLAINE. I may state, Mr. President, that if the amendment follows the word "commodity" it will in effect take care of what I regard as the rather defective or uncertain wording of the section just prior thereto. I understand that the purpose of the Senator from Montana is to permit the cooperative associations to join the stabilization corporations directly instead of merely holding the stock of stock or membership corporations. In other words, he wants to bring the cooperative association closer to the stabilization corporation.

Mr. WALSH of Montana. I am not sure that purpose will be effected by anything in the amendment offered by me; but if the Senator from Wisconsin is of that opinion, I have no objection at all to making the change suggested by him.

Mr. BLAINE. I observe, if the Senator will pardon the suggestion, that his amendment provides that "all cooperative associations possessing such qualifications"—that is, the qualifications adopted under the rules promulgated by the board—"shall be permitted to join." I should assume that that would mean any cooperative association organized under the laws of any State, and not just cooperative associations owning the stock of stock or membership corporations.

Mr. WALSH of Montana. That is what I had in mind.

Mr. COPELAND. Mr. President, before the Senator answers, may I ask the Senator from Oregon whether the amendment which has just been offered by the Senator from Montana is acceptable to the committee?

Mr. McNARY. When we reach that point I shall be glad to discuss it. The Senator from New York has the floor, and I assume desires to discuss some phase of this question. I suggest that he go forward with his remarks. We are not considering the amendment of the Senator from Montana.

Mr. COPELAND. The only question I had in my mind was this: If the amendment offered by the Senator from Montana is acceptable, and can be disposed of, it might facilitate matters; but if it is argumentative—

Mr. WALSH of Montana. Mr. President—

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Montana?

Mr. COPELAND. I yield.

Mr. WALSH of Montana. I have a group of amendments more or less related. It probably will take some time to dis-

pose of them. If the Senator desires to address the Senate, I suggest that he do so.

Mr. COPELAND. Mr. President, I send forward an amendment, which I ask to have read. I know it is not in order now, but I should like to have it read at this time.

The VICE PRESIDENT. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. The Senator from New York offers the following amendment: On page 14, line 21, strike out "Such loans" and insert the following:

No such loan for the construction, purchase, or lease of such facilities shall be made unless the cooperative association or stabilization corporation demonstrates to the satisfaction of the board that there are not available suitable existing facilities that will furnish their services to the association or corporation at reasonable rates and no such loan for the construction of such facilities shall be made unless the cooperative association or stabilization corporation demonstrates to the satisfaction of the board that suitable facilities are not available for use or for purchase or lease by the association or corporation at a reasonable price or rent. Loans.

The VICE PRESIDENT. The amendment will lie on the table.

Mr. COPELAND. Mr. President, I assume that the purpose of this amendment is made clear by its language. I did not prepare it. It was written by the able chairman of the committee, the Senator from Oregon [Mr. McNARY]. Its purpose is to make clear to the board that it shall not use the funds of the corporation for duplicating facilities which are already in existence, provided satisfactory terms can be made with their owners. I hope that at the appropriate time this amendment may be adopted.

I understand that the same language, or at least the same idea, is contained in the House bill. I assume there will be a willingness on the part of the Senate to accept this amendment. I sincerely hope so.

There is great discontent in parts of my State, both in the city and in the agricultural sections of the State, about the bill which is pending. I wish to have read by the clerk a telegram, which I send to the desk. It shows the attitude of the growers of one agricultural product, one of the perishable products. It is a telegram from the growers of apples.

The VICE PRESIDENT. Without objection, the Secretary will read the telegram.

The Chief Clerk read as follows:

WILLIAMSON, N. Y., May 13, 1929.

Hon. ROYAL S. COPELAND,

Senate Office Building:

As extensive apple growers of western New York we urgently appreciate your fight to exclude apples from farm relief bill. Please continue your efforts and insist on exclusion of apples from stabilization provisions on bill. Use best efforts to bring about reconsideration on Monday.

F. W. CORNWALL.

SAMUEL VALORE.

W. P. ROGERS.

W. R. TEATS.

GEO. STEVENSON.

H. V. PEARSALE.

FRED S. TODD ESTATE.

GEO. A. MORSE.

EDWARD DERIGHT.

Mr. COPELAND. Mr. President, this telegram is placed in the RECORD in order that Senators may understand there are large groups of producers of agricultural products who are not satisfied with the present wording of the bill.

Mr. WALSH of Massachusetts. Mr. President—

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Massachusetts?

Mr. COPELAND. I yield.

Mr. WALSH of Massachusetts. Will the Senator permit me to put in the RECORD at this point a similar telegram from my own State on the subject he is now discussing?

Mr. COPELAND. I am very happy to yield for that purpose.

The VICE PRESIDENT. Is there objection?

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

BOSTON, MASS., May 13, 1929.

Senator DAVID I. WALSH,

Senate Office Building:

Demand reconsideration and insist exclusion apples stabilization provision farm relief bill.

ALFRED W. OTIS & Co.

Mr. COPELAND. Mr. President, I am very much concerned over a situation which I believe confronts our country. I do not suppose my concern is a matter of great importance, but there is growing an increasing division between the agricultural parts of our country and the great cities. We have a conflict, a conflict of sentiment, a conflict of ideas. There is a lack of

mutual understanding between the cities and the rural districts. I want to say something about it.

First, let me picture the attitude of the city. I ventured to vote for the debenture part of this bill. I voted twice for the equalization fee in the McNary-Haugen bill. I voted to pass that bill over the President's veto. On every occasion when I had an opportunity to do so, I voted for what I thought would help the farmers of America.

In doing that, Mr. President, I think I was voting to help the residents of the cities of America. There can be no continued prosperity in any part of our country unless there is prosperity in every part of our country. There can be no prosperity in the cities, where men and women are employed, unless the manufactured products of the cities can be sold. The chief purchasers of those products are the farmers of America.

I have read editorials in almost every metropolitan paper of my State condemning me for my attitude, saying that I voted against the best interests of my State when I voted as I did. Let us consider that criticism a little bit.

One great editor, a friend of mine—and I respect him and admire him; I have real affection for him; I shall not undertake to quote his language, but the spirit of his comments—said that it is perfectly absurd to try by any sort of legislation to help the farmer. He said the farmers will prosper as the country prospers; that the farmers will benefit by the general prosperity of the country. Let us see if that is true.

As I said before, I always speak about the wheat farmer; I do not know anything about cotton. I was born in the North, where no cotton was raised. I was born on a farm where wheat was raised. How can the wheat farmers of America prosper as those engaged in other industries in America prosper? How is general prosperity going to help them any?

Men can not eat any more bread than they are eating. There is no way materially to increase the consumption of breadstuffs. It is an entirely different thing when we talk about automobiles. The demand for automobiles has not been satisfied. By advertising and high-powered salesmanship more families may be gotten to buy more automobiles. That will go on until every family is supplied, and when every family has both a Rolls-Royce and a Ford, then they will not buy any more automobiles; but we are a long way from that point.

I spoke over the radio in London five or six years ago, and at that time there were only 10 radio sets in England. Now there are three and a half million radio sets in England. During these five or six years there has been developed a demand for radios, and those radios have been purchased. That has been good for the manufacturers of radios. But are the people eating any more bread in England than they did six years ago? Certainly not. Not so much; there is a decline in the consumption of breadstuffs.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. FRAZIER. I want to call the attention of the Senator from New York to the fact that instead of people using more bread they use less because of these radio talks by health experts and dietitians who go over the country advocating that the people should use whole-wheat bread. They cut down on the use of bread and cut down on the use of potatoes, largely, and it makes a great difference in the prosperity of the farmer.

Mr. COPELAND. Mr. President, this all adds to my argument. These health experts talk over the radio, write health articles, and advise people not to use so much starch. That is true; but the fact is, is it not, that we can not increase the prosperity of the farmer by any increase in the business prosperity of the Nation? I think that is perfectly logical. I do not see how anybody can dispute it.

There is only one way by which the farmer can be benefited, and that is by getting more money for his crop. If he can get more money per bushel for the wheat he raises, he is going to prosper accordingly. It is absurd to say that the general business prosperity of the country will help the farmer. It will not, because the demand for the farmers' products is a demand which has already been completely satisfied. I am sure I am right about that. If I am not, I would be glad to have somebody tell me I am mistaken.

Other papers have said that any such vote cast by a New York Senator must be against the interests of the taxpayers of New York. Let us see about that. I have said here often, and I repeat it now for the sake of this argument, that people think about New York City as a great financial center, and the Senator from Iowa [Mr. BROOKHART]—who is not in his seat just now—will rail about New York and the wickedness of New York.

People do not think about New York as a manufacturing city, do they? Yet my city of New York manufactures in bulk and value more goods than the combined cities of Pittsburgh, Cincinnati, St. Louis, Milwaukee, Cleveland, Detroit, and Boston. More manufactured products are sent out of my city every year than are manufactured in those great, so-called, manufacturing cities. And where do those goods go? As I said the other day, we make kimono and overalls. We do not wear many of them in New York. You rarely see them on Broadway.

We sell those products to the farmers of America. Over half the manufactured steel of this country is sold to the farmers. Am I voting against the interests of the taxpayers of my city when I vote to help the farmer to have an income enough so that he can buy the manufactured products of my city and State? I know I am serving the citizens of my State by anything I can do to increase the buying power of the farmers of America. I have no patience, to tell the truth, with the criticisms which are passed upon Members of this body who are voting and striving to increase the purchasing ability of the farmer. So much for that.

Mr. WALSH of Massachusetts. Mr. President—

The PRESIDING OFFICER (Mr. Fess in the chair). Does the Senator from New York yield to the Senator from Massachusetts?

Mr. COPELAND. I yield.

Mr. WALSH of Massachusetts. I have observed that some of the criticisms in the press editorials published in the press of the Senator's State have attributed to him a political ambition as the motive for his vote. I want to suggest that that could not have been said of the Senator's vote previous to the last election, when he voted for the McNary-Haugen bill. I repeat what I said before, that the Senator showed very great courage on the eve of the election in New York State in taking the position which he took, with the press of the State unitedly opposed to the McNary-Haugen bill.

Mr. COPELAND. I am very much obliged to my friend from Massachusetts, who is always kind and courteous, and who has been particularly nice to me ever since I came to this body.

I do not know just how my fortunes will be affected by my vote on the debenture plan. My State gave me a very generous vote last fall when I sought to come back to the Senate. I had the pleasure of carrying my city of New York by a larger majority than anybody else ever received, about 550,000. So I did not suffer much on account of supporting the equalization fee. But that is entirely aside from the question at issue.

I am not disturbed by what the papers say, and I do not blame the editors. The editors of the New York papers are expressing the sentiment of the bankers and business men of my State. All of them think that there is something wrong about any kind of legislation which has to do with the betterment of the farmer.

There will not be any trouble about it when it comes to the tariff bill. There will be almost unanimous support of it from the press of my city. The editors who have been critical of my vote on the debenture will be enthusiastic for the tariff abomination which is about to be presented to us.

But this is perhaps more or less a sugar coating. I want to speak now of the misunderstanding on the part of farm and agriculture of the people who live in the cities. I am sorry the Senator from Iowa [Mr. BROOKHART] is not here at the moment. Perhaps he will come in later. I have a paragraph which I wanted to recite for his benefit, but I will omit it.

I want to tell the Senate a little about New York City. We have in the public schools of New York City 1,200,000 children. If we were to send out of New York City all the parents of those children and all the children of the rich who are in the private schools of New York—if we were to send out of New York City all the bankers and brokers, everybody except the children in the public schools—New York City would be the fourth largest city in the United States. The school children in New York City would, if they alone were counted, make it the fourth largest city in the country.

Who are those children? They are children from homes where live people just like the citizens of Iowa, Nebraska, Idaho, Michigan, North Dakota, and Montana; the same kind of folks, the same kind of people. They are not children from homes of the rich. Most of them are from homes of parents who must work.

Let me point out that thousands upon thousands, tens of thousands of those children, come from homes where the father works for some produce man or some commission man. When something is done in the Senate to hurt the commission and produce business in the country, something has been done that will lower the standard of living of tens of thousands of families in my city. Are you willing to do that?

Some of you rail about New York City, about the "bejeweled brokers" in my city, and imagine that they alone represent the manhood of New York. The people of the city of New York are just like the people of every other community in this great country of ours.

I feel very much hurt to think that while I have gone the full limit of what I can do to help the farmers of Iowa and other States, yet when I present to the Senate an amendment to the bill which seeks to preserve the commission and produce business of New York and the other cities of my State, as well as the cities of other States in this country, that amendment is supported by only 11 votes, and only 4 of those besides my own came from the group which has voted for the debenture plan in the bill. Senators are willing to have us stand here and cast our votes to help the farmers of the country, but they are unwilling to cast their votes to help the people in my city by the tens and hundreds of thousands who work with their hands just as hard as any farmer on the face of the earth.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Idaho?

Mr. COPELAND. I yield.

Mr. BORAH. Does the Senator think he states that position quite fairly?

Mr. COPELAND. If I have stated it unfairly, I would be very glad indeed to be corrected.

Mr. BORAH. The Senator's amendment went much farther than indicated by his present language. The Senator was proposing by his amendment to deny certain people in the United States the right to enjoy the privileges of the bill if they desired to do so. We in no way propose to interfere with the commission merchants of New York. We simply state to them, "We do not think you ought to deny other people the right to engage in enterprises and industries in accordance with the terms of the bill if they desire to do so."

Mr. COPELAND. Does not the Senator recognize as having any value the statement which I made and repeated on occasions that if there is written into the bill the right of the board to make use of the funds to be turned over to them, that very state of affairs will create a psychology which will of necessity ruin the commission and produce people?

Mr. BORAH. No; I do not admit that at all. I think the individual initiative, the capacity, the genius of the men who are now engaged in the commission business will enable them to carry on their business so much more successfully than can possibly be done under Government operation that they need have no fear in that direction at all. The only reason why we advocate the idea is because of the serious distress which exists in certain parts of the country where we think it may be of some possible help to them. But I do not think for a moment that the Government is going to engage in the business so successfully as to put out of business those whose genius has built up the different industries which the Senator is discussing.

Mr. COPELAND. I am very much obliged to the Senator from Idaho. There is no Member of the Senate who respects him more highly than I do. I have no doubt that with reference to foreign affairs and most matters that come before the Senate he is as well informed certainly as anybody, and perhaps better. But when he talks about the commission business I fear he is not on safe ground and I am going to try to show him why right now.

Mr. BORAH. I will admit before the Senator starts that as to the details and methods of carrying on the business I am very ill informed, although by reason of a bill which I sponsored I have spent a great deal of time in the last two years trying to inform myself and have come in contact with men who carry on the business, and I therefore think I know something about it. Aside from that proposition the Senator, without speaking disrespectfully of him, wanders from the subject. Does he think individual enterprise can not compete with governmental enterprise in this proposition?

Mr. COPELAND. I do.

Mr. BORAH. There is where we disagree and that I do know something about.

Mr. COPELAND. I am going to try to inform the Senator from Idaho something about the commission business. I am going to take poultry and poultry products as an example. Poultry and poultry products comprise an industry that is third or fourth in the country. I think we may say that dairy products come first, with about \$3,000,000,000; corn, with \$2,000,000,000; cotton, \$1,250,000,000; and the poultry business comes fourth. The poultry and poultry products of the country have the enormous value of \$1,250,000,000.

We receive every year in the city of New York \$200,000,000 worth of poultry—\$200,000,000 worth! We take into New

York City every week about 200 cars of live poultry, poultry that comes from Missouri and Indiana—I think no poultry comes from Idaho or Montana—200 cars of live poultry! How is that handled? I will tell the Senator from Idaho how it is handled.

A car is loaded in Indiana with chickens. It is put on the track, and immediately the shipper draws on the commission merchant in New York for \$4,000. That means that every week almost \$1,000,000—\$800,000, to be more exact—of money is actually sent to Indiana, Missouri, Kansas, and Nebraska, and other poultry-shipping States, and it is sent in cash. Where does the commission merchant get that amount of money? I never saw a poultry commission merchant in my life who had \$800,000 or \$200,000. He borrows it from the banks. The banks advance the money.

Does the Senator think the banks of New York would advance any money to pay for poultry if the bankers of New York believe that the Government is going into the business? If he does think that, he does not know the bankers of New York. They will not do it.

I may say to the Senator from Idaho that if the measure prevails without an amendment exempting the articles which I have been discussing, which are dealt in by commission merchants and produce merchants, the Senator is doing a thing that will do more to ruin the potato business of Idaho than any other vote he ever cast possibly could do.

What I have said about poultry can be said about every other edible product, and I speak with some degree of authority on that subject. For many years—and I am sure this is no immodest statement, but is a simple statement of fact—through my official position I learned much of these industries. I had supervision of such industries, so I speak by the card when I say these things.

Many of the products in question are handled by commission merchants in New York City. Let me mention apples in particular. Much of the money to finance commission merchants to handle apples comes from England, because the English are the great purchasers of American apples. American apples are exported to England, and English capital supplies the commission merchants with funds to handle them. If the bill passes as written, it will not only ruin the potato business of Idaho but it will ruin the apple business of Virginia, West Virginia, New York, and other States of the Union.

Mr. WALSH of Montana. Mr. President—

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Montana?

Mr. COPELAND. I yield.

Mr. WALSH of Montana. Some time ago a committee of which I am a member, conducting an investigation into the operations of the California Fruit Growers' Association, consisting of a federation of cooperative associations of the State of California dealing in citrus fruits, disclosed the following fact: As I recall, they have in each of the leading cities of the Union, and I suppose, of course, in the city of New York, a bonded agent of their own who, as I understand the matter, performs all the functions of a commission merchant; that is to say, the bonded agent receives the fruit and sells it to the retail dealer. In other words, the ordinary commission merchant of the city of New York does not handle the California citrus fruits at all.

Mr. COPELAND. That is true. That is one product in connection with the distribution of which there has been enough capital so that it has not been necessary to make the ordinary uses of the commission merchant.

Mr. WALSH of Montana. The question I wish to address the Senator is, if in that way the commission merchant has not been driven out of business, why should the Senator think that the commission merchant's business will be destroyed if, for instance, a stabilization corporation dealing with poultry shall be organized and that stabilization corporation shall endeavor to dispose of the products of the member organizations in exactly the same manner as the California fruit growers dispose of their products?

Mr. COPELAND. I have no fear at all that the Government would actually spend money enough to reproduce the intricate machinery in the way of terminals, refrigerators, slaughterhouses, warehouses, elevators, and all that sort of thing, necessary to do that work. Apparently I failed to choose language to make clear my idea: It is the fear that the Government may do this which will ruin the financial credit of these men.

Mr. WALSH of Montana. What has happened to the credit of those merchants in the city of New York who were handling the California fruit product prior to the organization of the California Fruit Growers' Association?

Mr. COPELAND. Some of those men have been able to go on with their work, but, as a matter of fact, by the cooperative movement which originated in California and which affected many cities, the commission merchants in that particular line were practically put out of business. That is what happened.

Mr. WALSH of Montana. That is to say, the cooperatives were able to provide themselves with a better class of service than they theretofore had?

Mr. COPELAND. I am not prepared to say that it was a better class of service.

Mr. WALSH of Montana. At least it supplanted the former service?

Mr. COPELAND. Yes. Now, I will go further and help the Senator in his argument. We have in our section of the country one of the greatest cooperatives in existence, I think—the Dairymen's League. It is a wonderful organization; I take pride in it. It has accomplished wonderful things for the dairy farmers of New York, of Massachusetts, of Pennsylvania, of New Jersey, and the adjoining States. It has gone on and purchased not only creameries in the country and milk plants, but it has gone into the city and has established there pasteurization plants; it has even controlled distribution to some extent. Ultimately, perhaps, it may take over the whole industry.

I think the citrus-fruit growers have done very much the same things, and possibly wisely. But there must be an interim; there must be a period of time before a potato cooperative, a poultry cooperative, an egg cooperative, an apple cooperative, a pear cooperative, a plum cooperative, and peach and cherry and broccoli and cantaloupe cooperatives are ready to do business. The business of the producers of most fruits and vegetables is prospering through the efforts of the commission merchants of New York. If the Senator's ideas shall prevail, the fear that the Government will actually reproduce all of the machinery of those institutions will deter capital, the banks, from furnishing the necessary money to operate the produce houses of New York and other cities.

Mr. WALSH of Montana. I simply rise again, if the Senator will pardon me, to remark that that is a situation which results from the organization of cooperatives all along down the line. Out in my section of country some years ago, indeed, for many years, it was thought by the farmers that they did not get a square deal from the men who were buying wheat for the line elevator companies and other institutions; so they concluded to establish cooperative associations to handle their own product. They did so. They built elevators, which elevators ran in competition with the elevators of the companies, and in a great many places the private buyers had to go out of business, because the cooperatives took all of the business in the locality.

The point I am making, Mr. President, if the Senator will do me the honor to attend to that, is that the cooperative association in all its essence is organized upon the theory and upon the basis that the old machinery by which their products were handled, not by themselves through cooperation at all, but by commission agents, is an expensive and unsatisfactory one. So the argument which the Senator makes, it seems to me, is an argument against the whole cooperative system.

Mr. COPELAND. Mr. President, I think it is undoubtedly true, as the Senator from Montana has suggested, that there have been dishonest men engaged in handling limited quantities of these products.

Mr. WALSH of Montana. I should like to interrupt the Senator at that point. It is not a mere matter of dishonesty, but the contention was that there was a waste there, that the middlemen's profits ought not to be taken away either from the consumer on the one hand or the producer upon the other, but they ought to be brought together through these cooperative organizations, and thus cut out—as it is expressed—the middlemen's profits.

Mr. COPELAND. Mr. President, I can understand that when it comes to a product so widely grown as are wheat or corn or cotton, it is impossible by any ordinary system of cooperation, by a local group or a large group, to handle that product. That is the reason why I am willing to go as far as the Senator from Montana wishes to go with reference to those groups; but when it comes to apples and various other perishables there has been no complaint on the part of the raisers of those products and no such demand for a new system.

Mr. BORAH. Oh, yes; Mr. President, there has been a vast amount of complaint all through the country.

Mr. COPELAND. But it was a complaint that related to certain trade practices of a certain limited number of persons. The Senator's bill—and a good bill I think it is, as he has modified it—is intended to prevent the methods used by the unworthy men in the industry.

Mr. BORAH. Mr. President, I readily concede, anyone must concede, that there are a vast number of people engaged in the commission business who are able and of unquestionable integrity; but there are those connected with that industry of whom that can not be said.

Mr. COPELAND. There would be no need of any law against intoxication or horse stealing or anything else if all the people were good. Laws are not enacted to control those persons who desire to be decent. Regulatory enactments are intended to take care of those persons in trade and commerce who are not "on the level," if I may use that expression. But the bill itself and the thought which the Senator from Idaho has and the thought in the mind of the Senator from Montana go far beyond that. In the view of the Senator from Montana the bill should go into an industry dealing in products that needs no such regulation and aid and assistance. Indeed, by the very effort to regulate and to aid we are doing the things which will destroy the industry by undermining its foundation of credit.

I speak feelingly because I believe that there is about to be imposed upon the great commission and produce business in the cities of America a grave injustice and a grave wrong which will destroy the very agency needed to deal with these products of the farm.

I have distinguished company in the position which I take. The President of the United States used to be Secretary of Commerce—I think perhaps we have not forgotten that fact—and I quote from him while he was Secretary of Commerce:

I do not know of any, even of our highest developed cooperatives, that have not found it advantageous to maintain the private distributor and wholesaler in the cities. He performs a vital economic function, and responsible men do it with great competence.

Mr. WALSH of Montana. Mr. President—

Mr. COPELAND. I yield.

Mr. WALSH of Montana. Referring now to the California Fruit Growers' Association, my recollection is that in the development of that organization they frequently—indeed, I think it was the rule—made use of the individuals and the organizations theretofore engaged in exactly that line of business. That is to say, a man who was in the commission business in the State of New York was constituted the agent and representative of the Fruit Growers' Association. Why is it not reasonable to assume that exactly the same thing will be done by the men who organize a stabilization corporation? Instead of putting a green man who does not know anything at all about the business in charge in the city of New York, instead of building entirely independent storage warehouses and that kind of thing, is it not quite reasonable to assume that the man who has built up a successful business and who has the facilities, will be utilized by the Government organization?

Mr. COPELAND. I have no doubt that is what will happen; but, in my judgment, it will also happen that he will be working on a salary for the cooperative; he will be out of business as an independent merchant. His talent will be utilized, but a great industry which has grown up through the years will be ruined and those who built it up will become hirelings merely of an organization which will reach out farther and farther into the cities of the country, destroying private initiative.

Confirmatory of what the Senator from Montana said about the California Fruit Growers' Exchange, Mr. G. Harold Powell, who before his death, I think, was the general manager of the California Fruit Growers' Exchange, stated that the services of the wholesaler in the city markets could never be dispensed with, and it was the intention of the exchange to utilize his services at all times. That was their purpose.

And Mr. Wells A. Sherman, the chief marketing specialist of the Bureau of Agricultural Economics of the Department of Agriculture, in charge of the fruit and vegetable division, in his book entitled "Merchandising Fruits and Vegetables," states:

* * * The wholesale handlers of fruits and vegetables are among the keenest and most enterprising business men of America. Especially is this true of those who operate over large areas. Had they and the growers whom they finance waited for a visible and measurable demand before they produced, comparatively few eastern consumers would as yet have tasted a cantaloupe from California or Rocky Ford; California artichokes; broccoli, or winter cauliflower; onions of the Bermuda type, or any of a dozen other well-known vegetables now in large supply. * * * The Nation owes a profound debt of gratitude to the pioneering, venturesome, creative faith of the men who have added so richly to our choice of fresh foods. * * *

That is the testimony of Mr. Sherman, but we propose now to put this industry out of business, and that is what we will do, because we can not expect that with this limited amount of money it will be possible to build there tremendous terminals and provide all the other machinery for fruit and vegetables,

as well as wheat, corn, and cotton. Let me say something about that. Out in Pittsburgh a platform a fifth of a mile in length has just been built for the reception of these fruits and vegetables.

Mr. SIMMONS. Mr. President—

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from North Carolina?

Mr. COPELAND. I do.

Mr. SIMMONS. I should like to ask the Senator a question. Does not the whole cooperative association movement that is incorporated in this bill necessarily interfere with the class of dealers to which the Senator has referred in the various products that are embraced in its operations?

For instance, take tobacco: When the cooperative associations were organized in the States of North Carolina, South Carolina, and Virginia they bought warehouses, and they were soon involved in a fierce warfare with the old warehouse people. They said, "If this thing is a success it will destroy our warehouses. We are forced, therefore, to sell them to the cooperatives at their own price in order to save our property from destruction."

Does not the cooperative system in the case of any farm product necessarily involve an interference with dealers in that commodity?

Mr. COPELAND. I think undoubtedly it does.

Mr. SIMMONS. And are the dealers in the Senator's city any differently situated from those handling other products?

Mr. COPELAND. No; but, Mr. President, I suppose there is no reason why the Government should not go into the automobile business and the banking business and the doctor business. We could go ahead and engage in all the present privately conducted enterprises; but this is my point: If Senators desire to go so far as to appropriate enough money to duplicate the machinery necessary to carry on these various activities and to do all the necessary things, all right; I have no more to say. It is for the country to decide if it wants to go into the commission business.

But the thing that I have tried to make clear, and apparently I do not succeed, is that the Government will not do this. There is not enough money carried by this bill to accomplish the building of the terminals and the other machinery necessary to take care of fruits and vegetables, too. But, mark you, the very fact that it is written in the bill that it may be done is the thing which will ruin the credit of men in these industries. In consequence, the vegetable and produce and fruit people of the South and West and every part of the country will suffer because of the club which has been raised over the industry and which may at any time descend upon its head to destroy it. The fear of what may happen will destroy the credit of the commission men, and in that way be as effectively harmful as actually to duplicate their plants.

Mr. President, I ask that there be included in my remarks at this point a letter which I received to-day from the general manager and secretary of the National League of Commission Merchants.

The VICE PRESIDENT. Without objection, it is so ordered. The letter is as follows:

NATIONAL LEAGUE OF COMMISSION MERCHANTS
OF THE UNITED STATES,
Washington, D. C., May 13, 1929.

Hon. ROYAL S. COPELAND,

United States Senator, Washington, D. C.

MY DEAR SENATOR COPELAND: Responsive to your request, I take much pleasure in setting forth the aims and purposes of the National League of Commission Merchants, as well as some comments with respect to the fresh fruit and vegetable industry. For a clear understanding of this letter, you are advised that the general term "receiver" is accepted by the trade to mean commission merchants, wholesalers, distributors, and jobbers.

The league was organized in 1893, and therefore is entering upon its thirty-seventh year of successful and continuous operation. Its membership comprises 750 of the leading and most responsible receivers and shippers of fresh fruits and vegetables located in the eastern half of the country. While relatively few in number, yet it is estimated that the members handle approximately 50 per cent of the tonnage on the Atlantic seaboard.

It was created for the purpose of protecting and promoting the general welfare of the trade by concentrated action in developing constructive legislation; in collecting and disseminating information; in improving business methods; in resisting discriminations against and exactions upon the trade; in demanding integrity and financial responsibility; and in the protection of all, so far as possible, from fraud, misrepresentation, and injustice. It has ever been zealous in carrying out these aims.

The league is the trade association of the receiver and shipper of fresh fruits and vegetables. As such, it has ever been on the alert to bring about improvements in the marketing of these commodities to the financial advantage of the producer and the satisfaction of the consumer. We keenly realize that upon the prosperity of the producer and the satisfaction of the consumer depends the prosperity of the receiver and shipper. That this alertness on the part of the receivers and this association has been rewarded is evidenced by the following accomplishments, all of which have been to the mutual advantage of everyone concerned and could have been brought about only through united action:

Terminals: Improved and modern terminal facilities in operation at New York City, Philadelphia, Boston, and Pittsburgh. New terminals in course of construction at Detroit and Cleveland, and being considered in numerous other cities. These new terminals are stupendous undertakings—the one at Pittsburgh having a selling platform nearly a fifth of a mile in length, while the one at Detroit will cover nearly 30 acres. They are all the result of the vision and faith of the receivers in the future of the industry and their desire to be of service to the producer and consumer.

Refrigeration: Vast improvements in the science of refrigerated transportation. Uniformity in the rules, regulations, and charges for handling perishable traffic through the means of perishable protective tariff. The expenditure of large sums of money in the successful consummation of numerous traffic cases before the Interstate Commerce Commission involving huge savings to the producer in transportation and refrigeration charges, and the removal of unreasonable and unjust rules and regulations covering perishable shipments.

Trade ethics: The formulation and adoption of the standard rules and definitions of trade terms, thus assisting in removing many causes for controversy through misunderstanding of trading terms. The acceptance of the principles of business conduct promulgated by the United States Chamber of Commerce. The formulation and adoption of a satisfactory arbitration system for arbitrating controversies between league members and others.

Legislation: The enactment of constructive legislation, such as the various standard container laws. Amendments to the interstate commerce act. Standardization and grading of commodities. Inspection service, and appropriations for research work by the United States Department of Agriculture, etc.

Government: Close cooperation between the Government departments and the industry, and the furnishing of accurate information with respect to the industry to those governmental departments seeking such information.

Trade promotion: The inauguration of a produce-merchandising survey designed to stimulate greater consumption of fruits and vegetables through improved wholesale and retail methods of merchandising, display, advertising, etc. The efficient receiver not only sells fruits and vegetables, but also sells ideas to his retail outlets.

So much for the work of the trade association of the receiver and shipper.

Now let us consider some phases of the industry concerning which there appears to be some misunderstanding.

In studying the debates in Congress and listening to the testimony given at congressional hearings, it is noted that some of your distinguished colleagues and others appear to be rather vague in their understanding of the industry.

It is sometimes bandied about that receivers are opposed to cooperative marketing associations. This is incorrect. Some of the largest cooperative marketing associations are members of the league. Far-seeing receivers encourage the formation of such associations for, as a rule, they mean standardized and graded commodities, which promote more efficient and speedier merchandising of such commodities. Receivers welcome competition in terminal markets from cooperative marketing associations, but they do not relish, and justly so, such competition when it is based on aid from Government funds.

It is sometimes stated by those without a clear understanding of the industry that the services of a receiver, as a middleman, should be dispensed with. Far-seeing and progressive producers of fruits and vegetables do not agree with this thought. They recognize the sound principle that the performer of a particular function may be destroyed, but that the particular function itself can not be destroyed. They are also in agreement that the receiver performs a vital economic function in scientifically marketing their products. However, let those in authority speak on the subject. Listen to the following:

President Hoover, while Secretary of Commerce, stated as follows: " * * * I do not know of any, even of our highest developed co-operatives, that have not found it advantageous to maintain the private distributor and wholesaler in the cities. He performs a vital economic function, and responsible men do it with great competence. * * * "

Mr. G. Harold Powell, who before his death was general manager of the California Fruit Growers Exchange, stated that the services of the wholesaler in the city markets could never be dispensed with, and that it was the intention of the exchange to utilize these services at all times.

Mr. Wells A. Sherman, chief marketing specialist, Bureau of Agricultural Economics, United States Department of Agriculture, in charge of the fruit and vegetable division, in his book, entitled "Merchandising Fruits and Vegetables," states that: " * * * The wholesale handlers of fruits and vegetables are among the keenest and most enterprising business men of America. Especially is this true of those who operate over large areas. Had they and the growers whom they finance waited for a visible and measurable demand before they produced, comparatively few eastern consumers would as yet have tasted a cantaloupe from California or Rocky Ford, California artichokes, broccoli, or winter cauliflower, onions of the Bermuda type, or any of a dozen other well-known vegetables now in large supply. * * * The Nation owes a profound debt of gratitude to the pioneering, venturesome, creative faith of the men who have added so richly to our choice of fresh foods * * * "

Rather loose statements are sometimes made and unfortunately in high places, in many instances, that receivers, as a class, are dishonest, fail to make proper returns, destroy produce, etc.

We admit that there are dishonest persons in the industry, but no more so than in any other industry. Investigation of such statements has usually developed the fact that they are unfounded or that in some instances a dishonest receiver has been uncovered and properly punished. It is significant that under the produce agency act, an act designed to apprehend dishonest commission merchants and which became law on March 1, 1927, there has been a surprising lack of complaints, and the first conviction under the law was secured only the other day.

This organization has no sympathy with the inefficient and dishonest receiver, nor has it any sympathy with the inefficient producer who gives greater weight to the quotations made him than to the financial responsibility and personal integrity of his marketing connections. We are at all times endeavoring to drive out of business the irresponsible "fly-by-night" type of receiver, but we are hampered in our efforts by the unthinking producer who without regard to the consequences ships his products to the irresponsible receiver, and then when injured thereby raises a hue and cry against all receivers as a class. This is a broad statement, but I am firmly convinced of its accuracy by the appeals that come to me from producers seeking assistance in the collection of their money.

The great mass of producers have been taught by the Government how to produce efficiently. The Government should now embark on a general campaign of education to teach the great mass of producers how to market intelligently. This, in my estimation, would be real farm relief in so far as the perishable industry is concerned.

It is my earnest endeavor, as well as those who labor with me in the management of this association, to cultivate a closer relationship between the producer and the receiver, which relationship will afford a basis for that mutuality of confidence and cooperation which is so essential for the success of the perishable industry and those engaged in it. We solicit the aid of everyone in this laudable effort.

On behalf of our officers and members, I thank you for your great interest in the industry and for your inquiry.

With expressions of my highest esteem for you, I am,

Very truly yours,

E. L. ROBERTS,

General Manager and Secretary.

Mr. COPELAND. Mr. President, I told you a little bit about my city. You know nothing about its poverty; we hear only of its wealth. How many of you know that we have a square mile in our city—1 square mile; now, you think about that area somewhere in the country—where live 500,000 persons, a half million in 1 square mile, where 12 live in 3 rooms, where 4 sleep in the kitchen every night. They would have to go out and die if they did not have some sort of employment. Even those meager quarters cost money.

Are you going to impose a further burden upon the poor of the cities and upon those who labor with their hands? Are you going to destroy what in my own city is one of the chief industries, the commission and produce business?

I remember one time a snowstorm, one of those rare things we have in New York, where down on West Street—the wide street that fronts on the river on the west side, a street that is always filled with trucks carrying fruits and vegetables and potatoes and oranges and eggs and poultry and all the other things—it was impossible for them to move because of the snow. The street was completely blocked. It was absolutely impossible to move. If you pass this bill, you are going to block the whole commission business and the handling of the produce and the fruits and vegetables of the country. They are going to be stalled in a storm just as those trucks carrying vegetables and fruits were stalled at the time I mention.

You find fault with us because we ridicule the needs of the farmer. We have just exactly the same right to find fault with you because you fail to appreciate the plight of those who dwell in the cities. We have a right to appeal to you.

Mr. President, there is enough to do through the operation of this bill to take care of wheat and cotton and corn, the major staple crops. Let us begin with them. If we find a successful operation through such legislation as this, then, if you see fit to go into the whole business of edible products, all agricultural products, all right. But let us not begin now with nothing more effective than simply to threaten an industry. By making it possible for the board to lend money for that purpose is a proposal which will be taken seriously in certain quarters. Let us not make that threat when we know very well it will not be carried out. It is too important a matter to trifle with when, because of the threat, the credit of these men will be ruined and the industry destroyed.

So I beg Senators not alone to vote for and adopt the amendment which I sent up to the desk, but to reconsider the action by which it was determined that the produce and commission men must be sent to the poorhouse. It seems incredible that we were able to muster only 11 votes—only 11 votes—and, as I said, with the exception of my own, only 4 votes from those who voted for the debenture. Do not repeat that punishment, I beg of you.

You ask us of the cities to vote this way or that way to further the cause of agriculture. Now I make the same appeal to you. Strike out from the bill the vegetables and the fruits, in order that we in the cities may continue to enjoy some degree of prosperity and to offer employment for the workers in our greater centers of population.

Mr. STECK obtained the floor.

Mr. McNARY. Mr. President—

The PRESIDING OFFICER (Mr. SACKETT in the chair). Does the Senator from Iowa yield to the Senator from Oregon?

Mr. STECK. I yield.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Allen	Fletcher	King	Sheppard
Ashurst	Frazier	La Follette	Shortridge
Barkley	George	McKellar	Simmons
Bingham	Gillett	McMaster	Smoot
Black	Glass	McNary	Steck
Blaine	Glenn	Metcalf	Steiwer
Blease	Goff	Moses	Stephens
Borah	Goldsborough	Norbeck	Swanson
Brookhart	Gould	Norris	Thomas, Idaho
Broussard	Greene	Nye	Thomas, Okla.
Burton	Hale	Oddie	Townsend
Capper	Harris	Overman	Trammell
Caraway	Harrison	Patterson	Tydings
Connally	Hastings	Phipps	Vandenberg
Copeland	Hawes	Pine	Wagner
Couzens	Hayden	Pittman	Walcott
Cutting	Hebert	Ransdell	Walsh, Mass.
Dale	Heflin	Reed	Walsh, Mont.
Deneen	Howell	Robinson, Ark.	Warren
Dill	Johnson	Robinson, Ind.	Waterman
Edge	Kean	Sackett	Watson
Fess	Keyes	Schall	Wheeler

The PRESIDING OFFICER. Eighty-eight Senators having answered to their names, there is a quorum present. The Senator from Iowa [Mr. STECK] is entitled to the floor.

Mr. STECK. Mr. President, I send to the desk an amendment, which has been printed and lying on the table, and ask that the clerk read it.

The PRESIDING OFFICER. The clerk will read.

The LEGISLATIVE CLERK. On page 15, after line 13, the Senator from Iowa proposes to insert as a new subsection to section 6 the following:

The board may make loans to cooperative associations, the proceeds of the loans to be used for assisting the cooperative association in acquisition by purchase, construction, or otherwise, of facilities and equipment for the preparing, handling, storing, processing, and sale of cornstalks, wheat, oat, and rice straw, cotton stalks, cane stalks, and other like agricultural commodities. Such loans made under this subdivision may be secured by marketing contracts of members of cooperative associations and be required to be paid, together with interest thereon, within a period of 20 years by means of a charge to be deducted from the proceeds of the sale or other disposition of each unit of the agricultural commodity delivered to the cooperative association, or may be secured in such other manner as, in the judgment of the board, is adequate. The aggregate amount of loans for the purpose of this subdivision, outstanding and unpaid at any one time, shall not exceed \$25,000,000.

Mr. STECK. Mr. President, the section which would be added by the amendment is practically in the words of subsection (c) of section 6 of the bill.

In reading over the bill now before the Senate I noticed that there is no definition of "agricultural commodity." Probably the term itself will cover everything which has been commonly

known and commonly handled as an agricultural commodity, but there has been a new business growing up, especially in the Middle West which might not be recognized under the terms of the bill as it is written, and it is the purpose of the amendment to cover that business.

There has been growing slowly but surely throughout the Middle West and the South an industry which is using up the waste products of the farm which have been named in the amendment, like cornstalks, different sorts of straw, cotton stalks, and so on. If the farm bill which we have before us, and which will undoubtedly be passed by the Congress, is to bring relief and be of help to the agricultural industry, I and others wish to see this special industry brought within the terms of the bill.

In 1925 we imported 1,448,425 tons of standard newsprint, valued at \$103,717,000, and in the same year imported 1,491,988 tons of wood pulp for the manufacture of paper, valued at \$81,864,000.

It is estimated that in 1928 we imported about 2,500,000 tons of standard newsprint, valued at \$200,000,000, and during the same year, 1928, imported approximately 2,000,000 tons of wood pulp, costing approximately \$150,000,000.

Along the same line there has been a very instructive article printed in The American Press for the month of April, 1929, written by Mr. Frank Parker Stockbridge, and I wish to read at this point just an excerpt from that article:

The big, unchallenged fact which stares the newspaper business of the United States in the face whenever attention is turned to the newsprint situation is that the press of this country is absolutely at the mercy of Canada for its supply of the raw material of which newspapers are made. The United States does not produce and can not produce enough wood pulp to supply our own demand.

FIGURES INDICATE DANGER FOR AMERICAN PUBLISHERS

Out of about 4,000,000 tons of newsprint produced in North America in 1928 Mexico contributed less than 17,000 tons, Newfoundland about 230,000 tons, the United States less than 1,415,000 tons, and Canada all the rest, some 2,381,000 tons. The total production of newsprint in North America was about 7 per cent greater than in the preceding year, but all of that increase and more was outside of the United States. This country's output of newsprint fell nearly 5 per cent below the 1927 figures; Canada's increased 14 per cent over 1927.

And on top of American production the newspapers of the United States imported 117,000 tons of newsprint from Europe.

Those are figures to think about. They mean only one thing. They mean that we are rapidly exhausting the forest resources of the United States available for wood-pulp production and that unless we discover and utilize other materials than wood pulp for paper making the time is coming, and coming swiftly, when the publishers of the United States will buy all of their newsprint from Canada and Europe and pay whatever price the foreign producers unrestrained by antitrust laws choose to ask for it.

I also find in a new magazine published by the senior Senator from Kansas [Mr. CAPPER], entitled "Public Affairs Magazine," for May, 1929, on the editorial page the following editorial on this subject:

CANADA LEADS IN PAPER

Canada is leading the world in the manufacture of newsprint paper. It exports more newsprint than all the rest of the world combined.

This is one of the romances of modern industry. Twenty years ago Canada's output of newsprint was 363,079 tons. Last year it was more than 3,800,000 tons. Its value in 1908 was \$38,000,000; last year, \$125,000,000.

More than 29,880 persons are employed in the paper mills of Canada and the pay roll exceeds \$44,000,000.

Canada's 115 paper mills are making large gaps in the Dominion's vast forests, aided by the sawmills. One of the world's greatest needs is the discovery of other materials just as good as wood pulp for paper making. Farm waste now appears to offer a good substitute. Something like that which can be had in immense quantities is needed to supply demand.

That editorial, as I have stated, is from a magazine published by ARTHUR CAPPER, who, as I said, is the senior Senator from Kansas.

As we are rapidly exhausting the forest products of the United States available for wood-pulp production, we must continue to depend more and more upon Canada and other countries for our supply of newsprint and wood pulp for manufacture of newsprint and other paper products unless we take advantage of other home-grown products which can, under new but absolutely proven methods, manufacture paper products from cornstalks and other agricultural commodities which are now largely wasted.

There are already in existence several plants which are successfully making paper products from cornstalks. Near Dayton,

Ohio, the Oxford-Miami Paper Co. has produced a fine grade of book paper of 60 per cent cornstalks, which is better in every respect than the all-wood book paper.

The Champion Coated Paper Co., which has the largest coating mills in the world at Hamilton, Ohio, has made a fine grade of bond paper and coated paper which can not be distinguished from its best standard product, substituting cornstalks for 70 per cent of the wood-sulphite pulp.

The Hopper Paper Co., at Taylorville, Ill., has produced high-grade newsprint, book, and bond papers with blends up as high as 85 per cent of cornstalk.

The Corn Stalks Products Co., of Danville, Ill., is now producing from 40 to 50 tons of corn pulp daily and is unable to keep up with the demand. The manager of the company, Mr. Harding, states that they could find a market for 300 tons of cornstalk pulp every day.

The Malzewood Corporation, at Dubuque, Iowa, is making paper products from cornstalk and other waste products of the farm. There is also a plant in Louisiana which is making a fine grade of paper from rice straw.

The May 3, 1929, issue of Wallace's Farmer, which was formerly edited and published by Henry C. Wallace, the Secretary of Agriculture, was what was called a "cornstalk edition," being printed on paper made largely of cornstalk pulp, and I want to read a short editorial from that issue. It is headed, "Cornstalk Paper," and reads:

CORNSTALK PAPER

Wallace's Farmer is printed this week on cornstalk paper, which is a mixture of cornstalk pulp and ground wood pulp. The cornstalk pulp came from the Corn Stalk Products Co., of Danville, Ill., but the final manufacturing was done by the Watab Mills, of Sartell, Minn., which have furnished us with our regular wood-pulp paper for some years.

Probably the time has not yet come when it will be economical and desirable for farm papers to use cornstalk paper exclusively. However, wood-pulp paper is getting scarcer right along, and, as experimenting continues with cornstalks, we would not be at all surprised if cornstalk pulp began to replace wood pulp more and more in the manufacture of paper.

The cornstalk paper mills of the future will be located where there is both an abundance of cornstalks readily available and plenty of water. To conserve the soil fertility of those sections where cornstalks are sold to the factories, it will be essential to work out rotations containing plenty of such soil-building legumes as sweet clover. The only good evidence which is thus far available indicates that a ton of cornstalks has a crop-producing power of around \$3, with corn at 70 cents a bushel and oats at 40 cents a bushel. We trust, therefore, that the cornstalk industries which are built up will be able to pay the farmers a net of at least \$3 a ton. We believe that this will be readily possible after the industries are well established and after machines are perfected for harvesting the stalks with a minimum of labor.

In the immediate future we believe that probably more tons of cornstalks will be used in the manufacture of wall board than in the manufacture of paper. Nevertheless, cornstalks will probably be used in enormous quantities for both purposes, and that is the reason we are printing this issue of Wallace's Farmer on cornstalk paper.

Mr. WALSH of Montana. Mr. President—

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Montana?

Mr. STECK. I yield.

Mr. WALSH of Montana. I want to inquire of the Senator, what is the quality of paper thus produced from cornstalks? Is it of varied quality, or is it newsprint only?

Mr. STECK. The heavier grades of paper can be made entirely from cornstalk pulp—very fine grades of heavy paper. The newsprint paper, such as I hold in my hand, which is the cornstalk edition of Wallace's Farmer, is made from a combination of wood pulp and cornstalk pulp and varies from 25 per cent of cornstalk pulp up to as high as 65 per cent.

Mr. WALSH of Montana. Can the Senator tell us how many mills are now producing paper from cornstalks?

Mr. STECK. There is only one mill which is producing the pulp, and that is at Danville, Ill., but the pulp is shipped to the paper factories, and there the paper is made from a combination of wood pulp and cornstalk pulp.

Mr. WALSH of Montana. There is so far only one mill, then, using the cornstalks?

Mr. STECK. There is only one mill making the pulp out of the cornstalks.

Mr. WALSH of Montana. How long has that been in operation?

Mr. STECK. It has been in operation about two years, I believe.

Mr. WALSH of Montana. Can the Senator tell us about what its annual output is?

Mr. STECK. As I stated awhile ago, it has a daily capacity of 50 tons of cornstalk pulp.

Mr. WALSH of Montana. What does the Senator understand would be the effect upon the business of that infant industry—I think it may be very properly so described—of the establishment of competing mills by cooperative associations, or would that affect materially its business?

Mr. STECK. I intended to get to that point later. In the first place the manager of this mill states, as I have already explained, that they could sell a daily production of 300 tons. There is a sufficient demand for that output now.

The PRESIDING OFFICER. The Senator from Iowa will suspend for a moment. The hour of 3 o'clock having arrived, the unanimous-consent agreement heretofore entered into now goes into effect, and hereafter no Senator may speak more than once or longer than 10 minutes upon the pending farm relief bill, S. 1, or any amendment proposed thereto. The Senator from Iowa will proceed.

Mr. STECK. The business of making cornstalk pulp in order to be successful must have the mills located in the center of the productive area and they should be in small units. That is the testimony of the experts who have investigated the subject. They should be scattered around in small units.

Mr. WALSH of Montana. The cornstalks, of course, will not stand the expense of shipment for any considerable distance. Accordingly, it would appear as though the industry must be conducted by a large number of small units in the center of the productive area.

Mr. STECK. That is quite true.

Mr. WALSH of Montana. So the business of the mill now established would not be seriously interfered with by the establishment of other mills by cooperative associations under the provisions of the amendment suggested by the Senator.

Mr. STECK. That is the judgment of the experts.

The cost of building a cornstalk pulp mill is about \$5,000 per ton per capacity, so a 50-ton plan would cost about \$250,000. The situation would best be met by building pulp mills of some 50 to 100 tons daily capacity at various points throughout the territory where the product to be processed is most generally produced, and at points which are centers of improved roads and railway transportation. Such a distribution of pulp plants would permit the farmer to bring his stalks to the plant at a minimum cost and facilitate the shipment of the pulp to the paper mills.

As a measure of farm relief, the establishment of pulp plants using cornstalks, wheat, oat, and rice straw, cotton stalks, and other such commodities now largely wasted is almost limitless.

Taking cornstalks alone, it is estimated that the Corn Belt produces between 100,000,000 and 200,000,000 tons of cornstalks each year, almost all of which is now wasted. It takes about 3 tons of cornstalks to make 1 ton of paper, so the estimated possible production of paper from this one source would be between 35,000,000 and 70,000,000 tons per year.

The present practice is for the mill to pay the farmer from \$3 to \$5 per ton for his cornstalks, which are cut and baled by the mill, with machinery which, at the same time and in the same operation and without cost to the farmer, gathers his corn. The average yield is approximately 1½ tons of stalks per acre, netting the farmer from four and one-half to seven and one-half dollars per acre besides picking his corn at a saving of from \$1.50 to \$3 per acre depending upon the yield. This would almost pay the rent of a tenant's corn ground and would yield a new and substantial profit to the farm owner who farms his own land.

When pulp from cornstalks and other waste agricultural products is being produced in substantial quantities it will necessarily reduce our imports of wood pulp and paper products, especially newsprint, and properly encouraged this industry may, in the not too distant future, make us entirely independent of foreign countries for our wood pulp and paper products. The growth of this now proven industry would also stabilize and ultimately reduce the price of all paper products, which price is now largely fixed and controlled by foreign corporations.

This use of cornstalks and other waste products would save our forests. Also the use of cornstalks in the manufacture of pulp would aid in checking the corn borer. The method used in harvesting, shredding, and baling is regarded by corn-borer experts as good corn-borer control. Shredding the stalks, the experts say, will kill at least 98 per cent of the corn-borer larva, enough to render unimportant any danger from the offspring.

of the survivors. In this connection it might be recalled that in 1927 the Congress appropriated \$10,000,000 to fight the corn borer. If the machinery set up by the farm relief bill, to be passed by this Congress, proves as effective as we all hope, with the adoption of this amendment which I have offered, we may see 8 or 10 pulp plants cooperatively owned, built with money loaned under the terms of the amendment, scattered throughout the Corn Belt, and other mills processing other waste products scattered throughout the other agricultural sections of the country, affording the producers a new source of income; one which may very well measure the difference between the success or failure of the farming industry.

Within the last six months there have been a large number of newspapers which have printed special editions using cornstalk paper. I have already mentioned Wallace's Farmer, from which I read an editorial. The Council Bluffs Nonpareil, at Council Bluffs, Iowa, published such an edition. The News Herald, of Spencer, Iowa, also published a large edition, as did the Red Oak Express, published at Red Oak, Iowa.

Mr. SIMMONS. Mr. President—

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from North Carolina?

Mr. STECK. I yield.

Mr. SIMMONS. I am very much interested in what the Senator had to say with reference to the manufacture of paper out of cornstalks. I come from a section where we raise considerable corn, and it is a subject which I think should deeply interest the corn growers of this part of the country. I have understood for some time that paper could be manufactured out of cornstalks, but I had been under the impression that there had not yet been discovered any process of manufacture by which paper could be made out of cornstalks economically so that it might be sold in competition with paper made out of wood pulp. Has the Senator any evidence or information that would indicate that there has been discovered a process by which we can economically produce paper from cornstalks?

Mr. STECK. There has been discovered and perfected a process by which cornstalks can be made into pulp for the manufacture of paper and it can be done economically. But there is only one plant now in operation with a small capacity. There may have to be some slight change in some of the paper mills before they can handle the product along with the wood pulp, but the experts, the men who have been working with the cornstalk products at Danville, Ill., and Doctor Sweeney, who is the really big expert in the problem, head of the chemical engineering department at Ames, Iowa, have been experimenting in the matter for some five or six years, partly with an appropriation which was granted by Congress. There was trouble in harvesting the cornstalk, but they have perfected a machine with which they can bale the cornstalks and at the same time pick the farmer's corn. They are doing that now. They go into the field with the machine which bales the cornstalks, and, in the same operation, with the same machine, pick the farmer's corn without any further or added expense to the farmer. There is no question, under the processes now in use and with the machinery which has been built up, but what it can be so manufactured that it will absolutely cut off the importation of foreign wood pulp and of paper products.

The PRESIDING OFFICER. The Senator's time has expired on the amendment. He now has 10 minutes on the bill.

Mr. STECK. Since I first presented the amendment I have had a great number of letters from the Middle West, and especially from Iowa, from farmers and newspapers who are interested in the matter and interested in the newsprint situation which, as we have already heard in the Senate, is becoming a very critical one, indeed, in the United States. I want to read just three letters which I have received and which I have chosen from a large number of letters which have come to me from daily and weekly papers in Iowa and are typical of the many letters received. The first one is from Mr. C. M. Richards, who publishes the Toledo Chronicle, at Toledo, Iowa. It reads as follows:

THE TOLEDO CHRONICLE,
Toledo, Iowa, May 7, 1929.

Senator DANIEL F. STECK,

United States Senate, Washington, D. C.

DEAR MR. STECK: Thanks for your letter of May 3 containing copy of your proposed amendment to the farm bill. I heartily approve of this amendment and believe that it will be fully appreciated by Iowa newspaper publishers. I trust that it will be given a favorable consideration.

With kindest personal regards, I am, very truly yours,

C. M. RICHARDS.

Another letter is from Paul S. Junkin, who publishes daily papers at Madison, Iowa, Fairfield, Iowa, Chariton, Iowa, Albia, Iowa, and Shenandoah, Iowa. Mr. Junkin said:

THE FAIRFIELD DAILY LEDGER,
Fairfield, Iowa, May 6, 1929.

Hon. DANIEL F. STECK,

Washington, D. C.

DEAR SENATOR STECK: I am in receipt of your letter of the 2d instant, with the amendment proposed by you to the farm bill. I am in thorough sympathy with anything that can be done to develop the manufacture of paper from cornstalks and other waste farm products. I am in favor with anything of this kind not only because I am a consumer of print paper but also because I think it will benefit the farming industry.

I have always been a believer in protective tariff to develop our industry, and if some way can be found to develop the product of paper from waste farm products it will certainly be a great thing for the country.

Yours very truly,

PAUL S. JUNKIN.

Then I have a third short letter from Myers Bros., publishers of the Afton Star-Enterprise, a weekly paper published at Afton, Iowa, reading as follows:

AFTON STAR-ENTERPRISE,
Afton, Iowa, May 6, 1929.

Senator DANIEL F. STECK,

Washington, D. C.

DEAR SENATOR: Was very glad to receive your letter this morning inclosing a copy of an amendment you propose to offer to the agricultural bill.

The manufacture of paper from cornstalks and other products of the farm has reached that stage where it should be given encouragement in a practical way. Paper is being successfully made from cornstalks and the quality is good. But it must be made to compete with other paper.

The one object of this agricultural bill is to assist the farmers. I believe this amendment of yours would be of much value and trust that you will be able to get it written into the bill.

Yours very truly,

AFTON STAR-ENTERPRISE,
O. T. MYERS.

Mr. DILL. Mr. President—

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Washington?

Mr. STECK. I yield.

Mr. DILL. Am I to understand there is any other provision in the bill which allows money to be loaned for the processing of farm products?

Mr. STECK. The wording of subsection c of section 6 of the bill, on page 14, from which I copied practically the wording of the amendment, is as follows:

(c) The board may make loans to any cooperative association and/or to any stabilization corporation for the purpose of developing continuity of cooperative services from the point of production to and including the point of terminal marketing service, if the proceeds of the loan are to be used for assisting the cooperative association or corporation in acquisition by purchase, construction, or otherwise of facilities and equipment for the preparing, handling, storing, processing, or sale or other disposition of agricultural commodities.

The word "processing" would certainly include the processing of the cornstalks to the point where they could be shipped to the paper mill for manufacture into paper.

Mr. DILL. What further amendment is necessary if the cornstalks are not to be treated as different from other agricultural products?

Mr. STECK. In the first place, I omitted the stabilization corporation from the amendment, because there would never be any necessity for it until we might some time in the far-distant future reach a point where we would be exporting. On the other hand, as I explained heretofore, there might be a question as to whether or not the waste materials, so called, were agricultural commodities. I do not want any question left in the bill as to that definition, because we have already had experience with constructions put upon legislation by boards and comptrollers and Budget Directors. I thought it ought to be made very clear.

Mr. DILL. I wish to say to the Senator that I am in hearty sympathy with his amendment; but I wondered whether it was embarking upon a new field for the loaning of money not otherwise provided in the bill, and if so, just where we would stop. If we are going to give that aid to the corn grower, where would we stop in the manufacturing field?

Mr. STECK. Mr. President, this would cover anything that it might be desired to bring in under it; but there is nothing else that we have before us now excepting this one infant industry, which is a very healthy infant, I might say.

Mr. DILL. As I listened to the letters written by newspaper editors I did not suspect that any of them had any slush-fund influence back of them from the pulp manufacturers, such as we have been hearing about in connection with Power Trust newspaper.

Mr. STECK. I am certain they have not. In closing, Mr. President, I ask permission to have inserted in the Record at this point an editorial from the News-Herald, which is published in Spencer, Iowa, from a "cornstalk edition," relative to Dr. O. R. Sweeney, who, as I before stated, is the great expert in this infant industry and who made the experiments which led up to the successful manufacture of newsprint pulp from cornstalks.

The VICE PRESIDENT. Without objection, it is so ordered. The letter is as follows:

DR. O. R. SWEENEY

No man in Iowa has done more to advance the process whereby cornstalks may be made into paper and wall board than has Dr. O. R. Sweeney, head of the department of chemical engineering at the Iowa State College at Ames.

Doctor Sweeney has devoted practically all his time since 1920 to the problem of utilizing the so-called waste products of the farm, and as a result of his findings, which have stimulated others to carry on researches, a very material industry has sprung up in this country, which in time is destined to find a most welcome place among the big commercial developments of the period. The process by which Doctor Sweeney converts cornstalks into paper and wall-board pulp is known as the Sweeney process. It is used in all the experimental work now carried on at Ames.

Doctor Sweeney was born in Martins Ferry, Ohio, in 1883. He studied at the Ohio State University and at the University of Pennsylvania, and then spent some time in Germany supplementing his education there. He has been a college professor and consulting engineer since.

During the World War he was a major in the Chemical Warfare Service and he is one of the men who designed and operated some of the large gas plants in this country which produced the gas for the American Army.

At the present time products are being made from straw, cornstalks, oat hulls, cotton wastes, and peanut shells, and it has been estimated there are about \$6,000,000 waste business. This, however, in the opinion of Doctor Sweeney, is but trivial. He confidently believes that one of the world's largest industries will eventually grow out of the vast amount of raw material upon which he and his associates have worked.

There are two plants in Iowa now making products from cornstalks and other waste products of the farm. One is owned by the Maizwood Corporation, at Dubuque. Another is owned by the Quaker Oats Co. and is located at Cedar Rapids. It operates under the name of the Miner Laboratories. This is the only plant in the world making furfural, and they are producing it to the extent of one-half million pounds a year and increasing their output annually. Furfural is used for all sorts of purposes. It is made from oat hulls.

There is also a cornstalk mill at Danville, Ill., and the Danville Commercial-News was the first newspaper in this section of the country to print a special cornstalk edition.

St. Joseph, Mo., has a plant which makes a splendid building material out of straw. A xylose plant is being built near Atlanta, Ga., for utilizing cotton hulls. Many other minor industries along these lines have been developed.

Mr. CARAWAY. I desire to present several amendments to the pending bill, which I ask may lie on the table.

The VICE PRESIDENT. Without objection, the amendments will be received, printed, and ordered to lie on the table.

Mr. WALSH of Montana. Mr. President, I rise to address myself to the pending amendment, but before doing so I desire to advert to a feature of the address made this morning by the Senator from Iowa [Mr. BROOKHART]. He did not exactly say so, but from something said by him it might be deemed by some that he gave countenance to the statement widely circulated during the recent campaign to the effect that a maximum price for wheat was fixed during the World War by a committee appointed by President Wilson and that Mr. Hoover was exonerated from any part in fixing a maximum price for wheat.

The fact about the matter is that there was no maximum price of wheat fixed by any committee appointed by President Wilson. President Wilson appointed a committee that fixed a minimum price for wheat, not a maximum price. That was done pursuant to the provisions of section 14 of the food control act, which I have before me, and which I ask may be incorporated in the Record at this point, without reading.

The VICE PRESIDENT. Without objection, it is so ordered. The matter referred to is as follows:

SEC. 14. That whenever the President shall find that an emergency exists requiring stimulation of the production of wheat and that it is essential that the producers of wheat, produced within the United States, shall have the benefits of the guaranty provided for in this section, he is authorized, from time to time, seasonably and as far in advance of seeding time as practicable, to determine and fix and to give public notice of what, under specified conditions, is a reason-

able guaranteed price for wheat, in order to assure such producers a reasonable profit. The President shall thereupon fix such guaranteed price for each of the official grain standards for wheat as established under the United States grain standards act, approved August 11, 1916. The President shall from time to time establish and promulgate such regulations as he shall deem wise in connection with such guaranteed prices, and in particular governing conditions of delivery and payment, and differences in price for the several standard grades in the principal primary markets of the United States, adopting No. 1 northern spring or its equivalent at the principal interior primary markets as the basis. Thereupon the Government of the United States hereby guarantees every producer of wheat produced within the United States that, upon compliance by him with the regulations prescribed, he shall receive for any wheat produced in reliance upon this guaranty within the period, not exceeding 18 months, prescribed in the notice, a price not less than the guaranteed price therefor as fixed pursuant to this section. In such regulations the President shall prescribe the terms and conditions upon which any such producer shall be entitled to the benefits of such guaranty. The guaranteed prices for the several standard grades of wheat for the crop of 1918 shall be based upon No. 1 northern spring or its equivalent at not less than \$2 per bushel at the principal interior primary markets. This guaranty shall not be dependent upon the action of the President under the first part of this section, but is hereby made absolute and shall be binding until May 1, 1919. When the President finds that the importation into the United States of any wheat produced outside of the United States materially enhances or is likely materially to enhance the liabilities of the United States under guaranties of prices therefor made pursuant to this section, and ascertains what rate of duty, added to the then existing rate of duty on wheat and to the value of wheat at the time of importation, would be sufficient to bring the price thereof at which imported up to the price fixed therefor pursuant to the foregoing provisions of this section, he shall proclaim such facts, and thereafter there shall be levied, collected, and paid upon wheat when imported, in addition to the then existing rate of duty, the rate of duty so ascertained; but in no case shall any such rate of duty be fixed at an amount which will effect a reduction of the rate of duty upon wheat under any then existing tariff law of the United States. For the purpose of making any guaranteed price effective under this section, or whenever he deems it essential in order to protect the Government of the United States against material enhancement of its liabilities arising out of any guaranty under this section, the President is authorized also, in his discretion, to purchase any wheat for which a guaranteed price shall be fixed under this section, and to hold, transport, or store it, or to sell, dispose of, and deliver the same to any citizen of the United States or to any Government engaged in war with any country with which the Government of the United States is or may be at war, or to use the same as supplies for any department or agency of the Government of the United States. Any moneys received by the United States from or in connection with the sale or disposal of wheat under this section may, in the discretion of the President, be used as a revolving fund for further carrying out the purposes of this section. Any balance of such moneys not used as part of such revolving fund shall be covered into the Treasury as miscellaneous receipts.

Mr. WALSH of Montana. That act provided that the committee should fix a minimum price for wheat—that is, they should fix a fair price for wheat—which price was to be guaranteed to the farmer. If the price fell below that, it was to be paid out of the Treasury of the United States, and if it went higher than that there was no liability upon the part of the Government; but the law having authorized the fixing of a minimum price, by manipulation, the minimum price actually became the maximum price. It had to be fixed according to law at, at least, \$2. It was at first fixed at \$2.20 and later it was fixed at \$2.26; but by operation of the Food Administration and the Grain Corporation that minimum price, so fixed by the committee appointed by President Wilson, became the maximum price; and it became the maximum price by virtue of this provision of the law:

For the purpose of making any guaranteed price effective under this section, or whenever he deems it essential in order to protect the Government of the United States against material enhancement of its liabilities arising out of any guaranty under this section, the President is authorized also, in his discretion, to purchase any wheat for which a guaranteed price shall be fixed under this section, and to hold, transport, or store it, or to sell, dispose of, and deliver the same to any citizen of the United States or to any Government engaged in war with any country with which the Government of the United States is or may be at war or to use the same as supplies for any department or agency of the Government of the United States.

And by virtue of the first sentence of section 5, as follows:

That, from time to time, whenever the President shall find it essential to license the importation, manufacture, storage, mining, or distribution of any necessities, in order to carry into effect any of the purposes of this act, and shall publicly so announce, no person shall, after

a date fixed in the announcement, engage in or carry on any such business specified in the announcement of importation, manufacture, storage, mining, or distribution of any necessities as set forth in such announcement, unless he shall secure and hold a license issued pursuant to this section.

No one was able to get a license pursuant to the conditions of that section from the Food Control Administration unless he agreed to fix the minimum price established by the committee as the maximum price to be paid. Accordingly, Mr. President, the effect was to keep the price of wheat down during the war. I find in the report of the National Agricultural Conference appointed by President Harding, and which submitted a report March 3, 1922, the following:

During the war we had a United States Grain Corporation formed primarily for the purpose of holding down the price of wheat. In the words of Mr. Hoover: "If there had not been a minimum price placed on wheat of \$2.20 for No. 1 northern or its equivalent at Chicago, wheat would probably have reached \$6 a bushel."

In the report on the first McNary-Haugen bill Mr. HAUGEN, its joint author, said:

It was a deliberate purpose of the Federal authorities to keep the price of wheat down. The efforts made were admittedly effective. It was then urged that the action taken was unjust and uneconomic, and that action should not be taken to limit the farmer's income without placing some limit on the prices of the things he bought. In answering these objections the Food Administrator stated that he was aware of all of the possible evils and dangers, but that it was a fundamental fact that the farmer had received 40 per cent more for his wheat than in the previous year. In money the farmer had received a higher price, but in purchasing power he had undoubtedly suffered an actual reduction.

Had wheat been permitted to rise in price at an equal rate with all commodities during the three years of control, the price would have undoubtedly fluctuated between \$3 and \$5 per bushel instead of being held between \$2.20 and \$2.26. The index of all commodities rose from 100 in 1914 to 210 in 1919. Many persons who have given attention to the matter believe that the operation of governmental fixed prices alone deprived wheat growers during the period of fixed prices of no less than a dollar a bushel, or an aggregated sum in excess of \$2,000,000,000. That the grower certainly did lose can not be gainsaid, for under the wheat guaranty act of March 4, 1919, the open-market price of wheat never once fell below the guaranteed price, even after control was removed. During this period, by contrast, millers, grain dealers, and all others handling wheat and flour in carload lots or more were guaranteed indemnification against loss.

President Hoover may be entitled to the credit of having kept the price of wheat down during the war to \$2.20 or \$2.26 a bushel; I should not like to rob him of any credit that may be due on account of that. I merely rose to say that he must take whatever responsibility there may be for having kept the price at that point as a maximum.

Mr. BROOKHART. Mr. President—

Mr. WALSH of Montana. I yield to the Senator from Iowa, but I hope he will bear in mind that I only have 10 minutes.

Mr. BROOKHART. The Senator from Montana will not forget that in 1916, before the Grain Corporation began to act, the farmers received \$1.51 a bushel on an average for their wheat, the figures being according to those furnished by the Department of Agriculture. On the other hand, however, the speculator got as high as \$3.25 a bushel. That is what Mr. Hoover was driving at when he referred to \$6 wheat. That was the speculator's price and not the farmer's price; and all the time Mr. Hoover said that the farmers ought to have a better price and the speculators' price ought to be reduced.

Mr. WALSH of Montana. Mr. President, the pending amendment needs no explanation. It has been read from the desk. It merely provides that the Federal farm board shall prescribe the qualifications which cooperative associations must have in order to entitle them to apply for the creation of a stabilization corporation and that any cooperative association which shall comply with such requirements shall be at liberty to join in the application.

The government of the stabilization corporation will be carried on by officers elected by members of the corporation, so that its management will be in the hands of those cooperative associations which apply for the certification. Of course all cooperative associations having the requirements ought to be permitted to join in it so that they may have a voice in the management of the stabilization corporation. Likewise, after the stabilization corporation shall have been created, a cooperative association may be organized in some other section of the country, and that cooperative association ought, meeting all the requirements, to have an opportunity to enter the stabilization corporation so that it may also have a voice.

When the matter was discussed upon the floor some time ago the distinguished chairman of the committee suggested that in all probability the board would make such a rule as that, but it occurs to me that it would be eminently advisable that the board be required to admit all cooperative associations having the necessary requirements.

Mr. McNARY. Mr. President, in the colloquy had with the able Senator from Montana a couple of weeks ago I expressed to him my opinion at that time that the board would probably do the very thing contemplated by his amendment. Given the general power, the board certainly would have the right to do so, and, in the exercise of good judgment and business prudence, it unquestionably would do so. This is merely a legislative declaration more specific than that already in the bill, and I have no objection to it or to the other amendment along the same line and going to the same point as the one now offered.

Mr. WALSH of Montana. Mr. President, I beg leave to modify the amendment by substituting "7" for "9" and substituting the word "commodity" for the word "time," so that, instead of the amendment being inserted on page 8, line 9, after the word "time," it may be inserted on page 8, line 7, after the word "commodity."

The VICE PRESIDENT. The amendment will be modified as requested by the Senator from Montana. The question now is on the amendment of the Senator from Montana, as modified.

CONDITIONS IN TEXTILE INDUSTRY IN THE SOUTH

Mr. SIMMONS. Mr. President, I do not propose to address myself particularly to the question now before the Senate. I wish to send to the clerk's desk and have read an editorial from the Manufacturers Record with reference to the strike situation in North Carolina.

The VICE PRESIDENT. Without objection, the Secretary will read, as requested.

The legislative clerk read as follows:

[From the Manufacturers Record, of Baltimore, Md., of May 9, 1929]
WHAT UNDERHAND INFLUENCES ARE AT WORK IN THE COTTON-MILL STRIKE SITUATION?

Nearly 40 years ago there was published in one of the foremost and most conservative magazines of the country a vicious criticism of southern cotton-mill conditions. The article was so unfair that it was vigorously criticized by this paper. The writer of it, a southern woman of high standing in the employ of the United States Government at Washington, was greatly chagrined that her article had been criticized. She came to this office to protest. She was told that there were two sides to the mill situation; that she had picked out for her illustrations the worst-looking houses that she could find and the most sickly and emaciated employees whose pictures she could secure; whereas she might have told something of the other side of the story and shown some of the healthier class of operatives and the better conditions under which they were living as compared with their homes in the mountains from which they had come. In reply she said that she had written the good side of mill life as well as the bad side, but that the editor of the magazine had refused to publish the article until she cut out everything except the bad side. She was then asked how it was possible for her to object to the criticism that had been made, and to this she could make no answer.

That is one illustration of the definite effort of some magazines and papers to misrepresent the mill conditions in the South, past and present.

Another illustration may be found in the fact that some years ago, as freely published at that time, the then Governor of Massachusetts in his annual report stated that he had sent in disguise, posing as philanthropic workers, two investigators employed by the State of Massachusetts to find out everything they could in regard to southern mills. His aim was to help on the propaganda against southern mills in order to retain the mill business in New England.

It is altogether possible that many other labor agitators who have gone into the South have been sent there by outside interests exactly as the Governor of Massachusetts sent his two paid emissaries disguised as philanthropic agents through southern cotton mills, ever ready in these days of socialistic, populist, communistic agitation to misrepresent mill conditions in the South, aided and abetted often by the teachings of rank socialistic professors in colleges and universities. Southern industry has been misrepresented and maligned through the newspapers and the magazines to an extent to which no other section of this country was ever subjected.

Mr. SIMMONS. Mr. President, it has been suggested that certain persons who are interested in inducing the cotton mills of New England to come to the South have advertised as an inducement to these mills that the wages paid in the southern mills are very much less than those paid in the New England

mills. I have no doubt that many promoters have resorted to such scheme in attempting to induce the transfer of factories.

A few days ago a labor leader—I will not say agitator—hailing from the North appeared here with a dozen or more cotton-mill operatives from North Carolina, from a mill which has now become so famous by reason of a recent strike, the Loray Mill. I did not see them. I am told that they were dressed very poorly, and that there were in the group one or two rather emaciated young girls, while all were badly clad. I have no doubt, Mr. President, that these operatives had better clothing at home, both the girls and the men; and I surmise that they were very carefully dressed in their poorest garments for the purpose of their appearance here. As to the rather emaciated physical appearance of a few of the operatives who came to Washington I do not doubt that they were very carefully selected for that very reason for the purpose of their visit to the Capital. It is, of course, true that among several hundred people—even those who enjoy all the comforts of life—it is possible to find a number who are thin and emaciated. Certainly it is true of the mill operatives as a rule in North Carolina that they are well fed, well clothed, and well housed. Many of them drive and own automobiles. There may be some difference in the actual amount of money paid the mill operative in New England and in the South; but in New England they do not have certain advantages that are worth money that are enjoyed in the South.

Necessarily, rents are higher in New England than in the South. Nearly all the southern mills have built and own their own houses, which they rent to their employees at very low rentals. They furnish them light and water free and fuel at cost. They furnish them gardens in the back yards and modern conveniences in the homes. In addition, many of the mills, in cooperation with the cities and counties, furnish free to their employees splendid schools for the education of their children and churches in which to worship. Those are advantages which, added to the labor prices paid in the South, would probably more than offset the small nominal difference between the cash payment in the North and in the South.

The South has suffered very much Mr. President, by this misleading propaganda as to labor conditions in our cotton mills. I do not stand here for the purpose of defending the mill people or for the purpose of criticizing the mill laborers. The relations between the owners and the operatives in my State are very fine. Most of the operatives are natives, recruited from rural districts and the mountains. They are reasonably satisfied and contented as a rule. The particular mill in question is not owned by southern people. It is owned by New England people, and my information is that the rate of wage paid there is less than that in other cotton mills in that immediate section and generally throughout North Carolina.

This propaganda ought to be answered, Mr. President. It is proposed to answer it by an investigation. I said a few days ago, when that resolution was offered, that I thought its scope ought to be broadened, and it ought to apply to the cotton mills of all sections of the country alike, especially if as its sponsor stated, its purpose was to elicit information of value in making a tariff law.

My fundamental objection to the Wheeler resolution was that it singled out the southern mills for investigation while everyone knows that cotton-mill strikes are much more frequent in New England and other sections than in the Southern States. That is still my fundamental objection to it. I am advised, however, by the author of the resolution that he will change it in that respect, and make it apply to all sections of the country alike.

I also referred then to the fact that the matter was one that the State ought to be allowed to handle, and questioned the Federal jurisdiction in the premises. The resolution of the Senator from Montana contains a provision for information with a view to assisting in the fixing of duties upon cotton goods.

The VICE PRESIDENT. The Senator's 10 minutes on the amendment have expired. He has 10 minutes on the bill.

Mr. SIMMONS. After reflection, I am inclined to think that possibly that lays the foundation for Federal investigation if it is thought desirable.

But, Mr. President, it is equally clear that if we are to obtain, by this investigation, information with reference to the cost of production of cotton goods in this country, especially in view of the fact that it is claimed that there is a difference in the cost of production in one section and another, it is fundamentally necessary that the information should embrace the industries in all sections, in order that we may have reliable information upon that point. Many of the newspapers of the South, and especially of North Carolina, some

of them especially speaking for other North Carolina mills, have taken the position that in view of the fact that the South has been slandered, and a propaganda which misrepresents the situation in southern mills has been persistently carried on and disseminated, in some instances by a hostile and prejudicial press, the cotton industry should and does welcome an investigation and a comparison. That sentiment, I am advised, obtains pretty generally in my State.

Mr. McKELLAR. Mr. President—

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Tennessee?

Mr. SIMMONS. In just a moment. I wish at this point to send to the clerk's desk an editorial which appeared in the Charlotte Observer of yesterday, published in the city of Charlotte, N. C., right in the heart of the textile-manufacturing district, and generally regarded as the organ and spokesman of that great industry in North Carolina. I ask that it be read.

The PRESIDENT pro tempore. Without objection, the editorial will be read.

The legislative clerk read as follows:

BOTH FLOWER GARDEN AND BACK YARD

Senator WHEELER, proponent of a southern cotton-mill investigation, has been in conference with Senator SIMMONS, agreeable to the proposition—if New England is included—with result that the Montana statesman has broadened his vision and is now a convert to the blanket system. The Observer has advocated a Federal investigation into cotton mills for the specific purpose of having the situations placed before Congress, and through Congress to the Nation, in their true light, confident that the South has all to gain and nothing to lose, and for the further reason that, the facts having been established, the South might hope for a season of relief from the continual pestering of the one-eyed agitators, become even more active in recent months. An "official" investigation into the vegetable and flower gardens of southern mill operatives, along with inspection of the back yards of the New England operatives, would be calculated to abate much of the misrepresentation and annoyance to which the southern cotton industry has been subjected. Let both New England and the South be "investigated," and hurry it along, is the contention of the Observer.

The PRESIDENT pro tempore. Does the Senator from North Carolina now yield to the Senator from Tennessee?

Mr. SIMMONS. I yield to the Senator.

Mr. McKELLAR. I desire to ask the Senator if State troops have been ordered out in his State to these various mills, and are they patrolling the mills?

Mr. SIMMONS. No. State troops were ordered out at the request of the local authorities in the early stages of the strike, when the demonstrations were assuming somewhat of a threatening aspect. They have long since been withdrawn. The local authorities are now in charge, and I understand that the usual number of operatives are at work in the Loray mills to-day.

Mr. McKELLAR. I am glad to hear that. I notice that they have been ordered out in my State. I believe there is one mill, or perhaps two mills in one locality, where there is a strike in my State, and the governor has ordered out the State troops, which are patrolling the neighborhood in which the mills are situated.

I think this is all wrong, and I am glad to know that the Senator is going to withdraw his objections to this investigation. I am perfectly content that it should take in all mills. I think it should. I think the Senator is right about that; but I am glad that the investigation is going to take place. It ought to take place. The situation in any community where differences have arisen which will bring about the calling out of the State troops, in my judgment, ought to be investigated along the lines that the Senator suggests, and I hope the resolution will pass.

Mr. SIMMONS. Mr. President, the situation is such that the country is entitled to know the facts, especially with this contention that the southern mill operatives are underpaid and underfed and underclothed. Those are not the facts. What we need in a situation of this kind are facts, not propaganda. I desire—and I think that is the sentiment of the mill people of my State and of those interested both in labor and in its employers—that the facts shall be brought out, and that this propaganda from which the South has suffered so much shall be answered, if the facts can answer it and do answer it.

FARM RELIEF

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 1) to establish a Federal farm board to aid in the orderly marketing, and in the control and disposition of the surplus, of agricultural commodities in interstate and foreign commerce.

Mr. WALSH of Montana. Mr. President—

The PRESIDENT pro tempore. The Senator from Montana may not be recognized under the unanimous-consent agreement. He has already spoken once.

Mr. WALSH of Montana. I rise for the purpose of offering an amendment.

The PRESIDENT pro tempore. For that purpose the Senator is recognized. The question, however, is on agreeing to the previous amendment proposed by the Senator from Montana, as modified. Without objection, the amendment, as modified, is agreed to.

The Senator from Montana offers an amendment, which will be stated.

The LEGISLATIVE CLERK. It is proposed to insert the following at the bottom of page 9:

Every cooperative association joining in an application for certification of or applying for admission to membership in a stabilization corporation shall subscribe for shares of stock in the same in number equal to the number of members of such cooperative association. The par value of the shares of any stabilization corporation shall be prescribed by the board.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Montana.

Mr. WALSH of Montana obtained the floor.

Mr. McNARY. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Oregon?

Mr. WALSH of Montana. I yield.

Mr. McNARY. That amendment falls in the same category with the previous amendment, simply specifying and detailing the powers of the board. Personally, I have no objection to it.

The amendment was agreed to.

Mr. WALSH of Montana. Mr. President, the amendment just adopted provides that each cooperative association coming into the stabilization corporation shall bring to the stabilization corporation some capital. It shall subscribe for as many shares as it has members, and the par value of the shares will be prescribed by the board.

The result of that will be that each cooperative association joining in the stabilization corporation will have as many votes as it has members, so that each cooperative association will have a voice in the management and business of the stabilization corporation in proportion to the number of members that it has.

It is contemplated that these associations will bring some capital, but nothing is provided concerning the matter except the provision for the distribution of the profits, on page 11, where it is provided that—

The corporation—

That is, the stabilization corporation—

may distribute out of the remainder of such profits for the year, first, a cash dividend on its outstanding stock not in excess of 8 per cent of the par value thereof.

But the bill provides that the Government itself, through the farm board, may subscribe for stock in the stabilization corporation to the amount, in the aggregate, of \$25,000,000. But it provides, on page 8, that "the board shall not vote such shares." I can not quite understand why the Government of the United States should be invited to contribute capital to the stabilization corporation upon which, if it makes any profits, the Government will have some profit but have no voice whatever in the election of officers of the corporation, in the direction of any of the business of the corporation, or in the management of it in any form whatever.

Accordingly, Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 11, line 24, to strike out the sentence following the word "payment," in the following words: "The board shall not vote such shares."

Mr. CARAWAY. Mr. President, will the Senator yield?

Mr. WALSH of Montana. I yield.

Mr. CARAWAY. What is the object in the Senator's wanting the board to vote the shares?

Mr. WALSH of Montana. If the Government puts money into a stabilization corporation, it ought to have a voice in the management of that stabilization corporation, just the same as any other stockholder in the corporation.

Mr. CARAWAY. Is it the Senator's idea that the Government is going into this activity as a business enterprise, or is it going into it for the purpose of aiding the farmers to organize a corporation to handle their products? Is it not merely to advance the money for the farmers' organization?

Mr. WALSH of Montana. My idea is that the Government is going in to help the farmers get the thing in operation and without any purpose to make any money out of it.

Mr. CARAWAY. And not as a business enterprise at all. The farmers are going into it as a business enterprise to try to help themselves. The Government is simply going into it to advance the money. It never has been my understanding of the theory of the bill that the Government was to engage in the business at all. It was merely to advance the money to set up an instrumentality by which the farmers themselves could market their products. I think the Senator's amendment would reverse the whole theory, if the Senator will permit me to say so, on which the bill is built.

Mr. WALSH of Montana. I can not understand at all the policy of the Government putting money into the stabilization corporation, getting certificates of shares for it, and having nothing whatever to say about the management of the corporation. The bill provides that those shares may be retired by the stabilization corporation any time they see fit to do so; that is, the money may be paid back to the Government at any time and the stock canceled, and, of course, when the Government no longer has any money in it, it should not have any voice in the management of the corporation, but so long as the Government has money in the corporation in the way of stock, I can not see any reason at all why it should not have a voice in the management.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. WALSH of Montana. I yield.

Mr. GEORGE. I want to call the Senator's attention to the fact that the stabilization corporation must operate under by-laws, under rules and regulations adopted for the control of its business, which, in the first instance, must be approved by the board.

Mr. WALSH of Montana. Certainly.

Mr. GEORGE. And it is powerless to change its by-laws without the consent of the board. Does not that give quite enough control?

Mr. WALSH of Montana. With all deference to the Senator, I do not think so at all, because everybody realizes that a corporation may have by-laws, and yet there is a tremendous power given to the officers of the corporation so far as the management of the business is concerned.

Mr. GEORGE. That is quite true, but the board has the additional power at any time to inspect, to examine, these stabilization corporations. In other words, the stabilization corporation is merely the creature of the board, and it operates all the while, as I read the bill, under the direct control of the board, not through representation.

Mr. WALSH of Montana. With all deference to the Senator, the board can not control the selection of the officers of the corporation at all. The officers of the corporation are elected by the members of the corporation, which consist of the stabilization corporations, and the Government, so far as the Government puts any money into it. It can not say that Jones or Smith shall be the president.

Mr. GEORGE. It does not vote for the officers, it does not participate in the election of the officers, but the stabilization corporation itself is simply an organization which operates under the complete control of the farm board, as I read the bill.

Mr. WALSH of Montana. I do not read the bill that way. I read the bill simply to the effect that the farm board may prescribe the by-laws. The by-laws, in the first place, must conform to the by-laws of the board, and they can not be changed without the consent of the board, but that is all the control the board has over them. It does not participate in the election of the officers, it has nothing to say about how the business shall be conducted, and I have been unable to find any provision in the bill which even gives it liberty to inspect the books of the stabilization corporation, to see whether the business is being carried on in a safe way under the by-laws.

Mr. BROOKHART. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Iowa?

Mr. WALSH of Montana. I yield.

Mr. BROOKHART. I think the tenor of the Senator's argument is that in a cooperative the capital does not vote at all. The first proposition, to allow the cooperatives to vote in proportion to membership, is all right; that is cooperative. It seems to me that where the Government is seeking to aid cooperatives, it should not come in and attempt to vote its stock.

Mr. WALSH of Montana. I have said all I care to say about that matter. I can not conceive of the Government being invited to put in capital and take stock for the capital and being given no voice at all in the selection of the officers.

Mr. BROOKHART. That is on the principle of one member, one vote.

Mr. WALSH of Montana. A cooperative has as many votes as it has members, and it has as many shares of stock.

Mr. BROOKHART. That is on the theory of one man, one vote, and that is correct. I approve that part of the Senator's proposition. But I do not like to see the stock holding placed alongside the individual.

Mr. McNARY. Mr. President, I do not think this amendment is of tremendous importance as a matter of legislation, although it might be important as a matter of psychology. It is true that the stabilization corporation is to issue stock to the Federal farm board as evidence of its purchase of stock. That stock is finally to be absorbed and returned to the cooperative organizations from earnings in the marketing of produce and commodities. We have proceeded upon the theory that the stabilization corporation will be farmer owned and farmer controlled. While it is true that the amendment offered by the Senator from Montana would, perhaps, in no wise affect the administration of the legislation by the stabilization corporations, yet it would not be completely dominated by the farmers and producers if the Government were permitted to obtrude any representation on the board. Hence, I do not assume that there is any likelihood that the Government, by reason of owning certain shares of stock in a stabilization corporation, merely when it acts as a marketing agency, would dominate the board, but it would be putting a Government representative on the board, which would be contrary to the theory upon which we are proceeding, namely, that the stabilization corporation shall be farmer owned and farmer controlled.

I do not think this would add anything to the bill. It certainly would not as a matter of legislation. It might scar, it might mar the bill from the standpoint of the psychological reaction of the public toward the bill.

Mr. CARAWAY. Mr. President, will the Senator yield?

Mr. McNARY. I yield.

Mr. CARAWAY. At the top of page 10 the Senator from Montana had overlooked this provision:

A stabilization corporation shall keep such accounts, records, and memoranda, and make such report with respect to its transactions, business methods, and financial condition, as the board may from time to time prescribe; shall permit the board to audit its accounts annually and at such other times as the board deems advisable.

So the Government would have absolute control of it.

Mr. McNARY. Unquestionably that is true. I am glad the Senator from Arkansas has called the attention of the Senate to that provision of the bill. I was simply accepting the premise adopted by the able Senator from Montana; and for that reason, while I have no very stout objection to the amendment, I have a mild one, sufficiently stout to prevent me from accepting the amendment, and I shall have to oppose it if it is pressed.

Mr. FLETCHER. Mr. President, let the amendment be stated.

The PRESIDENT pro tempore. The amendment will be stated for the information of the Senate.

The legislative clerk again read the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Montana [Mr. WALSH].

The amendment was rejected.

Mr. WALSH of Montana. Mr. President, I offer another amendment based upon the same idea.

The PRESIDENT pro tempore. The amendment will be reported for the information of the Senate.

The LEGISLATIVE CLERK. On page 12, line 8, insert:

The board shall designate a member thereof who shall be ex officio a member of the board of directors of each stabilization corporation.

Mr. WALSH of Montana. Mr. President, under the bill, for various purposes the board is authorized to loan sums of very great amount to these stabilization corporations. It likewise may subscribe to stock in the stabilization corporations to the aggregate of \$25,000,000, as heretofore indicated.

According to the action of the Senate now taken, the Government is to have no voice in the selection of the officers of the corporation at all. It will have nothing to do about the management of the business. It may, indeed, inspect the records, and it may likewise, in effect, prescribe the by-laws under which the business is to be operated. But it does have the power and it is expected that it will loan some very great amount to the stabilization corporation. It is likewise anticipated that it will take stock as I have indicated.

If one were organizing a great industrial organization and went to a banker to get the money with which to carry on that

business, the indispensable condition would be that the people who furnished the money shall have a representative on the board of directors. No corporation will advance money under any other conditions, at least if I have any acquaintance whatever with financial operations, unless indeed, of course, the business is one long established and with such credit as that it can get the money anywhere under any conditions. But a new enterprise such as this looking to the bankers or other people who furnish the money for funds with which to carry on the business must expect that one of the terms will be that they have representation upon the board of directors.

I think that the board ought to be given the power to designate at least one member of the board of directors of the stabilization corporation. In the case of the Federal land banks the act expressly provides that so long as any of the capital furnished by the Government of the United States is not returned to it the Federal Loan Board shall have the power to designate a majority of the land banks. But here the Government is to take stock, is to loan large amounts of money, but is to have no representation upon the board of directors and does not even have the right to vote for a member of the board of directors.

Mr. McNARY. Mr. President, I have no desire to occupy time on this matter. Referring to the objections I stated a moment ago to the amendment offered by the Senator from Montana, I find that the same apply to this proposal. But let me state to the able Senator from Montana that the comparison he makes between his institution and the Federal Farm Loan Board is not at all apropos. The main purpose of the board will be to take up the surplus, when found to be in excess of the demand, for orderly marketing or domestic consumption. That is purely a ministerial thing to be performed. When the board finds that there is a surplus the stabilization corporation will go out and buy the surplus at the market and hold it until such time as it deems advisable to sell it in order to carry out the purposes of the bill as described in section 1. Any representation upon the board would not effectuate this purpose one whit better than if it had no representation, but it comes down to a fundamental proposition.

It is possible, as we look at this from a long-time approach, that the Federal farm board may acquire a control of funds sufficient to operate on its own account in the matter of purchasing the surplus and in the matter of merchandising the products of the cooperative associations. I think the cooperative associations composing the stabilization corporation should have that opportunity to acquire business acumen and experience which would stand them in good stead when the time comes to take the operation of this machinery out of the hands of the Government. As the Senator from Arkansas [Mr. CARAWAY] read a moment ago, there are ample provisions safeguarding the funds of the Government already in the bill without having one member on the board of the stabilization corporation.

Mr. WALSH of Montana. I think the Senator is quite right that when the cooperative associations take over the entire management and the Government has no longer a dollar in the business it should not have any representation. That simply would require a modification of the amendment so that it should have that representation only so long as the corporation, the Federal land board, owned stock in the stabilization corporation or it is needed for loans.

Mr. McNARY. I thank the Senator. If the Federal farm loan board had no authority to inspect the books of the stabilization corporation or to modify or prescribe the plan of operation and the charter and by-laws, I perhaps would agree with the Senator; but not one thing can be done by the stabilization corporation unless it meets absolutely with the sanction of the Federal farm board. That is enough authority without placing one of its members ex officio on the board of the stabilization corporation.

Mr. HEFLIN. Mr. President, I do not see the necessity for the last amendment offered by the Senator from Montana. I am a little afraid of it.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Montana.

The amendment was rejected.

Mr. HAYDEN. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be reported for the information of the Senate.

The LEGISLATIVE CLERK. On page 6, line 3, after the word "act," strike out the period and insert:

Including investigations of the feasibility of establishing new agricultural industries, giving especial preference to new plants or crops competing with imports of agricultural products which will tend to ameliorate overproduction of staple crops in the continental United

States by diverting to new or noncompetitive crops land now devoted, or likely to be devoted, to the production of crops suffering from overproduction.

Mr. HAYDEN. Mr. President, there are now under irrigation in the southwestern part of the United States more than a million acres of land. By the Southwest I mean Texas, New Mexico, Arizona, Nevada, and California. A considerable part of that acreage is now growing crops that compete with crops grown under rainfall conditions such as wheat, corn, and short-staple cotton.

In the comparatively near future, as we reckon time in the history of our country, there will be large additional areas of land brought under cultivation through the construction of great reclamation work. Congress has authorized the construction of a dam at Boulder Canyon to impound 9,500,000 acre-feet of water. One million acre-feet of that water may be used for domestic purposes, leaving 8,500,000 acre-feet of water which with water duty of 4 acre-feet will irrigate 2,100,000 acres of land. There are some 600,000 acres of land now under irrigation in Arizona, California, and Mexico, but with the completion of that dam at least 1,500,000 acres of new land must be brought under cultivation, of which at least one-half should be located in my own State.

In Arizona by authority of Congress we have about completed the San Carlos irrigation project bringing in another 100,000 acres. In the vicinity of the Salt River project by private enterprise at least 150,000 additional acres of land will soon be brought under irrigation. In New Mexico, with the assistance of Congress, the Rio Grande Conservancy District will bring under cultivation about 125,000 acres of land. In Texas, on the lower Rio Grande, there is now 350,000 acres of land under cultivation. Pursuant to a treaty, which Congress has authorized to be negotiated with Mexico and which it is hoped will be made in the near future, that area will be increased to a million acres. Altogether, within the not remote future, it is possible that 2,500,000 acres of new lands will be brought under irrigation.

The question is, Shall that land be planted in corn, wheat, short-staple cotton, and similar crops, to compete with existing American agriculture, or should the Federal farm board and the Department of Agriculture take time by the forelock and begin a study of the crops that might be best planted there which will not compete with the farm lands of the United States now under cultivation?

Mr. GLASS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Arizona yield to the Senator from Virginia?

Mr. HAYDEN. I yield.

Mr. GLASS. Is there not another question involved? Why should the Congress perpetually appropriate millions and hundreds of millions of dollars for reclamation and irrigation purposes and now appropriate \$500,000,000 to buy the surplus that we already have? If what the Senator said is true and near realization, instead of appropriating \$500,000,000 for the purposes herein stated we ought to appropriate \$2,500,000,000.

Mr. HAYDEN. That may be; but the point I want to make is that the lands I have mentioned can grow crops that do not compete with the rest of the United States. Out in Arizona we are growing long-staple Egyptian cotton that does not compete with any other cotton grown in America. We are most successfully growing varieties of dates originally imported from Algeria and Mesopotamia. There will be produced in the United States this year about 1,500,000 pounds of dates. We are importing over 50,000,000 pounds. I refer to these crops as illustrations of what has been done and what can be done if proper attention is given to the subject by the timely introduction of new and noncompetitive crops.

I proposed an amendment to the bill originally which first set up the principle that it is desirable to conduct research of this character and then authorized an appropriation available to the Department of Agriculture to do it. I visited the Secretary of Agriculture and talked over the matter with him, found him sympathetic with the idea, but of the opinion that it would hardly be appropriate to ask in this bill for an appropriation for the benefit of the Department of Agriculture. He did believe, however, that it would be proper for the Federal farm board, to be created under the pending bill, to look into the problem and advise his department. I send to the clerk's desk a letter which I have from Secretary Hyde in which he commented favorably upon my former proposal.

The PRESIDENT pro tempore. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., May 8, 1929.

Hon. CARL HAYDEN,
United States Senate.

DEAR SENATOR: Very careful consideration has been given to the amendment referred to the Committee on Agriculture and Forestry on April 23 intended to apply to S. 1, "A bill to establish a Federal farm board to aid in the orderly marketing, and in the control and disposition of the surplus, of agricultural commodities in interstate and foreign commerce," which you very briefly discussed with me in my office a few days ago.

The department is in sympathy with the general purpose of investigating the feasibility of establishing new agricultural industries, giving especial preference to new plants or crops competing with imports of agricultural products which will tend to ameliorate overproduction of staple crops in the continental United States by diverting to new or noncompetitive crops land now devoted, or likely to be devoted, to the production of crops suffering from overproduction.

The question remains, of course, for the consideration of Congress as to whether this is a measure of the type which should be considered at the present emergency session.

Sincerely yours,

ARTHUR M. HYDE, Secretary.

Mr. HAYDEN. Anyone who will take the trouble to compare the amendment that I have now offered with the second paragraph of the letter just read will find that I have taken the words of the letter and offered them as an amendment to the bill, on page 6, wherein it is provided that the board shall, through the Secretary of Agriculture, indicate to the appropriate bureau or division of the Department of Agriculture any special problem on which research is needed to aid in carrying out the purposes of the bill. I take it that under that particular language everything contained in my amendment might possibly be done, but I think I have demonstrated to the Senate that this is a problem of such great importance, involving such large areas of new lands which are certain to be brought under cultivation, that it is entirely proper to direct especial attention to the problem and ask the Federal farm board to pass upon it and make recommendations to the Secretary of Agriculture and to the Congress.

Mr. McNARY. Mr. President, I am very glad to hear the Senator say that there is already authority in the bill to do the thing he wants done. I suppose the reiteration would be for the purpose of emphasis only. I do not know whether that is a proper kind of legislation. I can not conceive that it is.

Let me say to the Senator from Arizona that in the appropriation bill passed annually by the Congress there is a paragraph authorizing the extension service of the Bureau of Agricultural Economics to do this work in connection with the 48 land-grant colleges. Some such work is being done, and I think the State of Arizona, so ably represented by the Senator, has received some benefit through such Federal operations.

So long as the authority is given to the board, does the Senator believe that it would be good legislation to repeat it or duplicate a work now being done by the Department of Agriculture?

Mr. HAYDEN. Mr. President, I have offered the amendment in all sincerity. American agriculture must face this problem and meet it squarely in the very near future in connection with the bringing under cultivation of large areas of new land. The problem is to find such crops to plant upon those lands as will not compete with the present agricultural production of the rest of the United States. I think that no harm can come from emphasizing that situation. For that reason I have offered the amendment, and I hope it may prevail. No harm, I repeat, can come from it. And much good will certainly be accomplished.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Arizona.

The amendment was rejected.

The PRESIDENT pro tempore. The bill is still before the Senate as in Committee of the Whole and is open to amendment.

Mr. WATERMAN. I offer the amendment which I send to the desk and ask that it may be read.

The PRESIDENT pro tempore. The Senator from Colorado proposes an amendment, which will be read for the information of the Senate.

The CHIEF CLERK. On page 22, line 1, beginning with the word "examination," it is proposed to strike out the remainder of line 1 and lines 2 to 15, inclusive, and to renumber the sections 13 and 14 sections 12 and 13, respectively.

Mr. KING. Let the section proposed to be stricken out by the amendment of the Senator from Colorado be read.

The Chief Clerk read as follows:

EXAMINATION OF BOOKS AND ACCOUNTS OF BOARD

SEC. 12. Any action of the Treasury Department in issuing or receiving export debentures, and vouchers approved by the chairman of the board for expenditures from the revolving fund or insurance moneys, shall be final and conclusive upon all officers of the Government; except that all such transactions shall, subject to the above limitations, be examined by the General Accounting Office at such times and in such manner as the Comptroller General of the United States may by regulation prescribe. Such examination shall be for the sole purpose of making a report to the Congress and to the Secretary of the Treasury and the board of all such transactions in violation of law, together with such recommendations thereon as the Comptroller General deems advisable.

Mr. WATERMAN. Mr. President, my amendment proposes to strike out section 12 appearing on page 22 of the pending bill. In my opinion, that provision of the bill is an exotic which has been imported into this proposed legislation without cause and utterly without justification. It proposes to raze the requirement found in ordinary legislation and in the statutes now existing as to accounting, so that the board will not be accountable to anybody for the expenditures it may make, and will not otherwise be in any way accountable anywhere on earth to anybody.

I submit, Mr. President, that our experience in connection with the operations of some of the independent establishments of the Government, such as the Alien Property Custodian's office and some others, ought to be sufficient to make the Senate hesitate to adopt such a provision as that which I seek to strike out. Under it the farm board may exercise its discretion in any way whatsoever it may please without being accountable to any public officer. The members of the board when appointed ought not to have a roving commission to spend the money taken out of the Public Treasury without accounting. They ought to be compelled under the ordinary provisions of existing law to be accountable to somebody at some time; and it should not be as provided here merely that the General Accounting Office shall some time examine their accounts as the Comptroller General may prescribe and report to Congress and to the Treasury and to the board.

I submit that under existing circumstances, and in view of the experience which we have had, the disbursements of the farm board ought to be held strictly in line with existing statutory enactments, and that its accounts should be examined by the regular accounting officer of the Government, so that we may know how the money is expended and be certain that we shall be getting a dollar's worth for every dollar expended.

Mr. McKELLAR. Mr. President, the Senator from Colorado evidently mistakes the meaning of section 12 of the bill, or I do. It seems to me that it is a perfectly clear proposal. It reads as follows:

SEC. 12. Any action of the Treasury Department in issuing or receiving export debentures, and vouchers approved by the chairman of the board for expenditures from the revolving fund or insurance moneys, shall be final and conclusive upon all officers of the Government; except—

And here is the meat in the coconut—

except that all such transactions shall, subject to the above limitations, be examined by the General Accounting Office at such times and in such manner as the Comptroller General of the United States may by regulation prescribe. Such examination shall be for the sole purpose of making a report to the Congress and to the Secretary of the Treasury and the board of all such transactions in violation of law, together with such recommendations thereon as the Comptroller General deems advisable.

It seems to me that that is a very clear proposal, which will require the Comptroller General of the United States to pass upon these transactions.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Tennessee yield to me?

Mr. McKELLAR. I shall do so in a second. I wish to say that, so far as the present law is concerned, the Treasury Department is the only department which is not now examined by the Comptroller General. There ought not to be any such exception, and I think the committee has been very wise in including section 12 in the bill. I now yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. Mr. President, the power of the Comptroller General to make the investigation authorized by section 12 is limited to investigation and report to the Secretary of the Treasury and to the Congress of the United States. Manifestly, the object of the provision is this: If, after the

Secretary of the Treasury has under the provisions of the act issued debentures and those debentures may have been negotiated, an accounting officer should be permitted to hold that the law was violated in some technical feature, that something was omitted to be done that should have been done, or some act performed that should not have been performed, it would have the effect of discrediting the debentures and destroying their market value, and thus defeat the very purpose of the Congress in authorizing the issuance of the debentures.

The power of the Comptroller General is limited by the section to bringing to the attention of Congress and the Secretary of the Treasury and perhaps the board the features in which the law has not been conformed to. That will enable the authorities to correct, as to future transactions, any mistakes that may have been made, but it will save transactions which have already occurred from the effect which I have described.

I call to the attention of the Senator from Colorado these considerations in the belief that it is quite important, if debentures are to be issued, to put nothing into the law which may have the effect of impairing their value or their negotiability after they may have been issued.

It seems to me that the committee has done pretty well, although experience may show the necessity of additional safeguards to those already provided in section 12.

Mr. McKELLAR. Mr. President, I think that the Senator from Arkansas is entirely right about it. Of course, this provision ought to be in the bill; it can not possibly hurt anyone; it is a safeguard that ought to be provided, and these transactions should not be had unless the accounting officer goes over them carefully and reports to the Congress and to the Secretary of the Treasury and to the board. It is a very wise precaution, and the section should be left in the bill, in my judgment.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Tennessee yield to the Senator from Utah?

Mr. McKELLAR. I yield.

Mr. KING. I ask for information, is there any provision in this section or any other section of the bill which provides for such an examination by some authority in either the Treasury or some other department for the purpose of testing the accuracy and the correctness of the amount, for instance, of the debentures issued or as to whether or not the debentures ought to have been issued? Suppose, for instance, that those having the administration of the act in charge should hold that a debenture should be issued when in fact it ought not to be issued or upon a commodity as to which it ought not to have been issued or should make a mistake in the computation or anything of that nature, is there any authority by which an examination may be had to test those questions, not for the purpose, as suggested by my friend from Arkansas of discrediting the particular debenture that may be evidence of the error, but for the purpose of guarding against the future?

Mr. McKELLAR. None other except what is contained in section 12, and I think that section is ample and very proper. I hope that the amendment be defeated.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Colorado.

The amendment was rejected.

Mr. COUZENS. Mr. President, I send an amendment to the desk and ask to have the clerk read it.

The PRESIDENT pro tempore. The amendment proposed by the Senator from Michigan will be read for the information of the Senate.

The CHIEF CLERK. On page 4, it is proposed to strike out all of lines 24 and 25, and on page 5, all of line 1, and line 2 down to and including the comma after the word "employees," and to substitute therefor the following:

(e) May (1) appoint and fix the salary of a secretary and, in accordance with the classification act of 1923 and subject to the provisions of the civil service laws, appoint and fix the salaries of such experts and other officers and employees as are necessary to execute such functions.

Mr. COUZENS. Mr. President, the amendment merely changes the bill as it now reads so as to include within the civil service the experts who are excluded under the present wording of the bill. I spoke to the chairman of the committee about it, and he said he had no objection to the amendment.

Mr. McNARY. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from Oregon?

Mr. COUZENS. I yield.

Mr. McNARY. I think it was two weeks ago when I received a letter from the Civil Service Commission suggesting this modification. I shall be glad to have the amendment adopted.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. CARAWAY. Just a second.

Mr. COPELAND. Mr. President—

The PRESIDENT pro tempore. The Senator from New York is recognized.

Mr. CARAWAY. Mr. President, before the amendment shall be disposed of I want to be recognized.

The PRESIDENT pro tempore. Without objection, the amendment was agreed to.

Mr. CARAWAY. I was on my feet to speak to the amendment.

Mr. McKELLAR. The Senator from Arkansas was objecting to it.

The PRESIDENT pro tempore. Very well, objection being made, the question is on agreeing to the amendment proposed by the Senator from Michigan [Mr. COUZENS], and the Senator from Arkansas [Mr. CARAWAY] is recognized.

Mr. CARAWAY. Mr. President, I desire to ask the Senator from Michigan again where his amendment comes in?

Mr. COUZENS. I have not the bill here, but the clerk has the amendment.

The PRESIDENT pro tempore. The amendment will be restated.

The CHIEF CLERK. On page 4 of the bill it is proposed to strike out lines 24 and 25, and on page 5 all of line 1, and line 2 down to and including the comma after the word "employees," and to substitute therefor the following:

(e) May (1) appoint and fix the salary of a secretary, and, in accordance with the classification act of 1923 and subject to the provisions of the civil service—

Mr. CARAWAY. That is all I wanted to know, Mr. President. I desire to ask the chairman of the committee a question.

Mr. COUZENS. I simply want to point out to the Senator that the only difference is that the word "experts," as it now reads, comes before the provision in regard to the classification act. My amendment puts "experts" after that provision and includes them in the civil-service classification.

Mr. CARAWAY. That is exactly the matter to which I wanted to call attention. We people who are more familiar with cotton know that if you are going to get an expert to deal with that, it is very likely that he could not comply with the requirements of the Civil Service Commission. He would have to be under 35 years of age. Most men who have become experts in the handling and selling of cotton are much beyond that age. There is not a cotton cooperative association in America now that would not be stripped of practically every one of its experts if the provisions of this amendment were to go into the bill.

The Senator from Virginia [Mr. GLASS] says that the Senator intends to exclude experts from the provisions of the civil service classification act.

Mr. McKELLAR. Oh, no—to put them under it.

Mr. COUZENS. The amendment puts them under it.

Mr. CARAWAY. That is what I understood; but the Senator from Virginia says I am wrong. I know that it would be tremendously unfortunate for the cotton industry if that amendment should prevail.

Recently there was a man here from Arkansas by the name of Bennett, who possibly knows more about handling long-staple cotton than any other man in America, who wanted to work for the Government; but he was beyond the age limit. Otherwise he had every qualification.

Mr. NORRIS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from Nebraska?

Mr. CARAWAY. I do.

Mr. NORRIS. I desire to ask the Senator about the age limit.

Mr. CARAWAY. It is 35 years.

Mr. NORRIS. Is the Senator sure about that?

Mr. CARAWAY. Oh, yes.

Mr. NORRIS. Does the Senator mean to say that under the civil service act no one over 35 years of age is entitled to employment?

Mr. CARAWAY. I think the examination age is 35 and under.

Mr. McNARY. Fifty-five, is it not?

SEVERAL SENATORS. Forty-five.

Mr. CARAWAY. Very well; say it is 45. I am sure it is 35.

The PRESIDENT pro tempore. The Senator from Arkansas has the floor. To whom does he yield?

Mr. CARAWAY. I think the people here on the floor who quibble about the age would certainly be very wise to look over the amendment and let us ascertain the facts, because, while

I am not so familiar with other lines of industry which would be affected by this bill, I am satisfied that we would rob the cotton grower of the opportunity of getting the best talent available if that provision should go into the bill; and I hope it does not do it. I hope the Chair will withdraw his suggestion that the amendment is agreed to.

Mr. McNARY. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from Oregon?

Mr. CARAWAY. I yield to the Senator.

Mr. McNARY. I only speak my own views, of course, when any of these matters come up. The proposed legislation, I think, is in the right direction, and is comprehended in all the legislation that has been enacted by Congress for a good many years.

The Senator has set forth a proposition here that I have never heretofore heard. As I get the Senator's view, there are very competent experts in the cotton line who are under 45 years of age.

Mr. CARAWAY. I think the age is 35, but I should say that the great majority of men who have had long experience in marketing cotton would be above that age. It is a business that men grow up slowly in and develop by long experience. I know, for instance, that the great expert that the cotton operatives have, who used to be in Georgia, is a much older man than that. In my own State I think that the men who are directing the enterprise, if that provision goes in, would be excluded. At least I hope that the Senator from Michigan will not press his amendment this afternoon, and will let us inquire into the matter.

Mr. COUZENS. I have no objection to the amendment going over if the Senator wants to look into it further; but I am going to press it later on, and I now go on record as not wanting the bill to go through without this amendment being voted on.

Mr. CARAWAY. Oh, well, of course, the Senator did not want it to go through anyway.

The PRESIDENT pro tempore. For the time being the Senator from Michigan withdraws his amendment.

Mr. COPELAND. Mr. President, I offer an amendment, which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 14, line 21, it is proposed to strike out "such loans" and insert the following:

No such loan for the construction, purchase, or lease of such facilities shall be made unless the cooperative association or stabilization corporation demonstrates to the satisfaction of the board that there are not available suitable existing facilities that will furnish their services to the association or corporation at reasonable rates and no such loan for the construction of such facilities shall be made unless the cooperative association or stabilization corporation demonstrates to the satisfaction of the board that suitable facilities are not available for use or for purchase or lease by the association or corporation at a reasonable price or rent. Loans.

Mr. COPELAND. Mr. President, if I may have the attention of the Senator from Oregon [Mr. McNARY], this is the amendment which was prepared by the able Senator from Oregon, but which he permitted me to introduce, making it obligatory upon the board first to ascertain whether there are any existing facilities which may be utilized by the board before the board proceeds to provide its own facilities.

Mr. McNARY. Mr. President—

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Oregon?

Mr. COPELAND. I yield to the Senator from Oregon.

Mr. McNARY. Has the Senator concluded his remarks, or does he desire to ask a question?

Mr. COPELAND. I was hoping the Senator from Oregon might conclude them for me.

Mr. McNARY. I shall be very glad to discuss the question if the Senator will let me have the floor, unless he desires to do so himself.

Mr. COPELAND. Mr. President, all I have to say is that it appears to me that this is a very wise provision. It is now included in the House bill, and I take it for granted that the Senator from Oregon will give it his full support.

Mr. McNARY. Mr. President, the bill as proposed and reported by the committee did not contain this amendment. It permitted the Federal farm board, in the exercise of prudent judgment, to construct or acquire facilities whenever it was thought that it was necessary for the purpose of processing farm commodities.

After the report was made the chairman was visited by the representatives of a great number of cooperative organizations

engaged in the elevator business, warehousing, processing, controlling and owning evaporators, and kindred institutions. The argument of these gentlemen was that under the bill the board might duplicate facilities now in existence, which would work to the great disadvantage of those who had money invested in present physical facilities.

My attention was called to a provision in the House bill. I stated two weeks ago, in discussing the matter here on the floor with the Senator from New York, that in my opinion the Federal farm board would not duplicate these facilities, as it would not be good business prudence to do so, and it would bring about an economic waste which a man of business sense would not do, and that in my judgment it was useless to offer an amendment on the subject. After I was interviewed by the representatives of these cooperative associations and some organizations which owned property individually as millers and warehousemen, I asked the drafting bureau to take from the House bill this particular provision, and presented it for the consideration of the Senate.

I find no fault with the proposal of the Senator from New York. I know there are some present who believe that probably it should not be put in the bill, but if there are facilities that meet the present situation, no one would want to see the Government funds expended to duplicate those physical facilities. This amendment simply provides that before that can be done there must be a finding by the board that existing facilities are not adequate, or that they can not be obtained at a reasonable price or on reasonable terms, whether the charge be rental or interest. That is a condition precedent to action. It is a condition, in my opinion, that would obtain with the board if the amendment were left out of the bill; but some who are interested and have their money invested believe that this safeguard ought to be here, requiring the board to make this survey, this examination, and these findings, before Government money shall be expended.

I am speaking now for myself alone, without regard to the committee. As chairman, I reported favorably the bill without this amendment, but I am attempting to explain in a brief way the purposes of the amendment, how I think it would operate, and those who initiated the movement that brought the amendment to the attention of the Senate.

Mr. JOHNSON. Mr. President, I recognize the force of what has been said by the able Senator from Oregon upon this amendment. In my opinion, however, it would be a most unfortunate provision to be adopted by the Senate. It would, I believe, if you will follow the language of the amendment, put the board in a strait-jacket, so far as what are termed "existing facilities" may be concerned, for it requires that—

No such loan for the construction, purchase, or lease of such facilities shall be made unless the cooperative association or stabilization corporation demonstrates—

That is, the burden is put in the first instance upon the stabilization corporation or the cooperative to demonstrate to the satisfaction of the board that there are not available suitable existing facilities—

That will furnish their services to the association or corporation at reasonable rates, and no such loan for the construction of such facilities shall be made unless the cooperative association or stabilization corporation demonstrates to the satisfaction of the board that suitable facilities are not available for use or for purchase or lease by the association or corporation at a reasonable price or rent.

I recognize all that may be said in behalf of those who have put their money into facilities, into warehouses, into various places and various constructions and processing arrangements that may be required by stabilization corporations; but, sir, I take it that whether they have invested their money or whether they have not, the board will determine the appropriate thing to be done under existing circumstances; and in the exercise of discretion by the board it ought not to be hampered in the slightest degree. The care first under this amendment is for those who are engaged in warehousing or those who are what we term middlemen; and that care should not thus be pointed, because the object of the bill is first to care for agriculture itself.

Mr. LA FOLLETTE. Mr. President, I regret that I can not agree with the chairman of the committee [Mr. McNARY] concerning this amendment. The Senator from California [Mr. JOHNSON] has outlined the chief objections to it. It seems to me that the amendment places the entire burden of proof upon the board for engaging or permitting cooperatives to engage in the construction of facilities for the storage and processing of agricultural commodities; and it occurs to me that commission merchants and middlemen desiring to obstruct activities on the part of stabilization corporations desiring to

operate in any particular field will be afforded an opportunity to go into the courts and to seek restraining orders from the courts, and force the board to conduct long legal proceedings to demonstrate that they have followed the rules laid down in this amendment, and that their action in loaning money to stabilization corporations or cooperatives for the construction of these facilities has been warranted under the provisions of this amendment, should it be adopted.

Mr. President, the whole premise upon which this bill is drawn is to give the board extraordinary freedom of activity in carrying out its powers, and it seems to me a little inconsistent for the argument to be made here in support of certain amendments that the board shall be restrained in its activity and against certain amendments that we are assuming that a wise and an able board will be appointed and that it will proceed to carry out the provisions of this act with good judgment and in good faith.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. ROBINSON of Arkansas. The Senator's conclusion just stated is undoubtedly accurate if the premise is justified or sustained by the amendment, but I do not understand that the amendment contemplates that there shall be a review by any authority of the board's decision on the subject as to whether existing facilities are available at a reasonable charge. The board having determined that question, its decision is final and conclusive. No appeal is provided for and no review can be had.

Mr. LA FOLLETTE. I am not under the impression that any provision for review is provided in the amendment, and, of course, I would submit to the legal opinion of the Senator from Arkansas, but it occurred to me that should the board act under this amendment, assuming that it should be adopted, and some interested parties feel that injury would occur to their business, it would give an opportunity for them to go into the courts and to raise the question as to whether a demonstration had been made that adequate facilities were not available at a reasonable rate.

Mr. ROBINSON of Arkansas. If the Senator will permit me—

Mr. LA FOLLETTE. I am very glad to get the Senator's opinion, because I raised this point in the hope that it would be cleared up before the amendment was acted upon.

Mr. ROBINSON of Arkansas. The only question that could be carried to a court under the amendment, as I see it, would be whether or not the board had decided the issue as to the existence of adequate facilities which could be secured at a reasonable charge. If the board proceeded to make a loan without deciding that question, I think a party in interest might ask an injunction on the ground that the board had not performed its duty as required by law, but the first act that any cooperative would perform would be to submit to the board the information that it was unable to secure warehouse or elevator facilities at a reasonable charge, and have the board determine that question before proceeding with its application for a loan.

Mr. LA FOLLETTE. Mr. President, I am very glad to get the opinion of the Senator, whom everyone recognizes as an able lawyer, upon that question; but, in my judgment, even though the doubt in my mind is relieved by the opinion of the Senator concerning the possibility of its being taken advantage of by interested parties for the purpose of hampering the board, nevertheless it seems to me that there are many other reasons, and sound reasons, why this amendment should not be adopted.

The fact that it places upon the cooperative association or the stabilization corporation the necessity for making a demonstration will necessarily lead to long-drawn-out procedure before the board, which, in and of itself, will hamper it in carrying out the provisions of the bill.

We all know very well that farmers are to-day suffering because of high rates which are charged them for the handling of their products by commission merchants and middlemen. If a cooperative association or a stabilization corporation desires to secure a loan for the purpose of relieving the farmers producing some particular commodity from excessive charges, if this amendment is adopted, a prolonged hearing will necessarily result, because the interested parties who fear the competition on the part of the cooperative association or the stabilization corporation will of necessity make every effort to prevent the board from extending credit to the cooperative or the stabilization corporation which desires to build facilities for handling any particular commodity.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I will yield to the Senator in just a moment. The Senator realizes that the time is very limited.

It seems to me, Mr. President, that if we are not going to assume that this board is to be composed of able men who will carry out the provisions of this measure in good faith and with good judgment, then this entire bill should be scrapped and it should be rewritten, because it is written upon the assumption that the board is to have extraordinary latitude in the carrying out of the provisions of this bill. To come in now and at the last moment and lay down limitations with regard to the board's activities in certain connections seems to me to be entirely unjustified and illogical, and I trust that the amendment offered by the Senator from New York will be rejected.

Mr. BROOKHART. Mr. President, I think this amendment would not protect the cooperatives in any sense. It seems to me it is designed to protect the owners of facilities outside of the cooperatives. This is a bill to encourage cooperatives; that is the theory of it all the way through, and if it is to succeed, it must do that.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. BROOKHART. Yes; I yield.

Mr. COPELAND. Is it also a bill to discourage all private enterprise?

Mr. BROOKHART. I believe it is a bill to organize all private enterprise handling farm products into cooperatives.

Mr. COPELAND. And to put out of business all private investments now made, so that they would be entirely in the hands of cooperatives?

Mr. BROOKHART. All private investment that is handling and processing farm products ought to be reorganized into cooperatives, and this bill ought to be a start in that direction.

Instead of doing that, this gives a sort of strait-jacket monopoly to the owners of these facilities. They might be adequate but not up to date. They might be in such condition that they could be used, but why tie this board up from transacting business with facilities any more than you would an individual? The individuals to whom the Senator has referred did not have to get a ruling of any board to enable them to construct their properties in any way. Why should this board be compelled to pass on the adequacy or any other characteristic in reference to somebody's else property? If they wanted to sell it to the board, very well; let the board consider that, but to say that the board shall first determine that these facilities are inadequate and then authorize the cooperative or the stabilization corporation, which is the same thing, to perform its function, is a ridiculous proposition to me, and I think it stands strongly in the way of cooperative development. I think it is one of those jokers in the bill which ties us fast to a certain line of private capital, to private ownership outside of this marketing proposal.

For these reasons I hope the amendment will be defeated. I certainly can not approve that sort of an arrangement in reference to a scheme to encourage and develop cooperatives.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New York [Mr. COPELAND].

The amendment was rejected.

Mr. NYE. Mr. President, I propose an amendment, which I desire to have printed and lie on the desk, and which I would like to have read.

The VICE PRESIDENT. The clerk will read the proposed amendment.

The CHIEF CLERK. On page 25, after line 6, the Senator from North Dakota proposes to insert a new paragraph, as follows:

(f) The President is hereby authorized, through such agency or agencies as he may designate, to purchase in the United States and transport and distribute wheat and/or its products for the relief of the distressed and starving people of China. The President is hereby authorized to expend or cause to be expended out of any funds in the Treasury not otherwise appropriated a sum not exceeding \$200,000,000 for the purpose of carrying out the provisions of this section.

The VICE PRESIDENT. The amendment will be printed and lie on the table.

Mr. HEFLIN. Mr. President, I send an amendment to the desk, which I ask to have printed and lie upon the table. It proposes to amend the bill, on page 17, line 14, in lieu of the figures "\$500,000,000" to insert the figures "\$1,000,000,000," so as to read:

REVOLVING FUND

SEC. 8. There is hereby authorized to be appropriated the sum of \$1,000,000,000, which shall be made available by the Congress as soon as practicable after the approval of this act and shall constitute a revolving fund to be administered by the board as provided in this act.

The VICE PRESIDENT. The amendment will lie on the table and be printed.

EXECUTIVE SESSION

Mr. McNARY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

RECESS

Mr. WATSON. I move that the Senate take a recess until to-morrow at 12 o'clock.

The motion was agreed to; and the Senate (at 5 o'clock and 5 minutes p. m.) took a recess until to-morrow, Tuesday, May 14, 1929, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate May 13 (legislative day of May 7), 1929

UNITED STATES ATTORNEY

Ralph L. Carr, of Colorado, to be United States attorney, district of Colorado, vice George Stephan, term expired.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 13 (legislative day of May 7), 1929

MEMBER FEDERAL FARM LOAN BOARD

Horace Paul Bestor.

PROMOTIONS AND APPOINTMENTS IN THE NAVY

Richard E. Hawes to be ensign.

John R. Barber to be dental surgeon.

HOUSE OF REPRESENTATIVES

Monday, May 13, 1929

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Gracious Heavenly Father, with Thee we would begin this day and be sensitively conscious that Thou art the source of all wisdom. Forgive our incompetency and help us. Give us great confidence in that divine guidance that assures the man of vision the faithful servant and the loving heart. Without this we make of our duty an uninviting drudgery. It is for us, our Father, to express ourselves in terms of helpfulness; inspire us to do so. We may fail in ten thousand things, but we must not fail in one. We must live and speak the soul's truth. Take our homes and our children and fold them in Thy blessed arms. Dispel all fear and lull them to sweet repose. How memorable shall be this day if we bring gladness and encouragement to others. May we do so; and unto Thee be eternal praises. Amen.

The Journal of the proceedings of Saturday last was read and approved.

ENROLLED JOINT RESOLUTION SIGNED

Mr. CAMPBELL of Pennsylvania, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 59. Joint resolution to extend the provisions of Public Resolution No. 92, Seventieth Congress, approved February 25, 1929.

RESIGNATION OF A MEMBER

The SPEAKER laid before the House the following communication, which was read and ordered spread upon the Journal:

WASHINGTON, D. C., May 10, 1929.

HON. NICHOLAS LONGWORTH,

Speaker of the House of Representatives,

Washington, D. C.

MY DEAR MR. SPEAKER: I beg leave to inform you that I have this day transmitted to the Governor of the State of Minnesota my resignation as a Representative in the Congress of the United States from the fifth district of Minnesota, to be effective at the close of business June 30, this year.

Respectfully yours,

WALTER H. NEWTON.

THE STAR-SPANGLED BANNER

Mr. LINTHICUM. Mr. Speaker, I ask unanimous consent to print in the RECORD a joint resolution passed by the General